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SUBSIDIARY BODY FOR IMPLEMENTATION

REPORT OF THE SUBSIDIARY BODY FOR IMPLEMENTATION ON ITS TWELFTH SESSION, BONN, 12-16 JUNE 2000

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I. OPENING OF THE SESSION
(Agenda item 1)

1. The twelfth session of the Subsidiary Body for Implementation (SBI) was held at the Hotel Maritim, Bonn, Germany from 12 to 16 June 2000.

2. The Chairman of the SBI, Mr. John Ashe (Antigua and Barbuda), opened the session on 12 June 2000. The Chairman welcomed all Parties and Observers to the session. He noted that this twelfth session was an unusual one, as it came after a week of informal meetings and workshops during which in-depth discussions had been held on several issues. The Chairman remarked that the pre-sessional week had yielded important progress, on which the SBI should now build to pave the way for success at the sixth session of the Conference of the Parties (COP 6). He emphasized that, for many issues, the aim for the twelfth session of the SBI should be to agree on negotiating texts that would prepare the ground for substantive negotiations at the thirteenth sessions of the subsidiary bodies. He reported that the Convention had now received a total of 184 instruments of ratification, acceptance, approval or accession, while the number of ratifications or accessions to the Kyoto Protocol had reached 22. He concluded by urging Parties to use the limited time available as efficiently as possible.

3. The Executive Secretary conveyed his best wishes to Mr. Klaus Töpfer, Executive Director of the United Nations Environment Programme, for a speedy recovery from his recent illness.

4. At the 2nd meeting, held jointly with the Subsidiary Body for Scientific and Technological Advice (SBSTA) on 12 June, general statements were made by representatives of four Parties, including one speaking on behalf of the Group of 77 and China. The chairmen of the subsidiary bodies recalled that informal meetings and workshops had been held during the pre-sessional week on joint agenda items as well as on capacity-building and cross-cutting issues.

II. ORGANIZATIONAL MATTERS
(Agenda item 2)

A. Adoption of the agenda
(Agenda item 2 (a))

5. At its 1st meeting, on 12 June, the SBI considered the provisional agenda contained in document FCCC/SBI/2000/1.

6. The SBI adopted the following agenda:

1. Opening of the session.

2. Organizational matters:

   (a) Adoption of the agenda;
   (b) Organization of the work of the session.

3. Implementation of Article 4.8 and 4.9 of the Convention (decision 3/CP.3 and Articles 2.3 and 3.14 of the Kyoto Protocol).

4. Matters relating to Article 3.14 of the Kyoto Protocol.

5. Procedures and mechanisms relating to compliance under the Kyoto Protocol.

6. Mechanisms pursuant to Articles 6, 12 and 17 of the Kyoto Protocol.

7. National communications from Parties included in Annex I to the Convention: experience with the review of second national communications.

8. National communications from Parties not included in Annex I to the Convention:

   (a) Report of the first meeting of the Consultative Group of Experts;
   (b) Provision of financial and technical support.

9. Financial mechanism:

   (a) Progress report on the review by the Global Environment Facility of its enabling activities;
   (b) Progress report by the Global Environment Facility on its capacity-building activities;
   (c) Additional guidance to the Global Environment Facility: support to the Intergovernmental Panel on Climate Change.

10. Arrangements for intergovernmental meetings.

11. Administrative and financial matters.

12. Report on the session.

B. Organization of the work of the session
(Agenda item 2 (b))

7. The SBI considered this sub-item at its 1st meeting, on 12 June. It had before it the tentative schedule of meetings contained in document FCCC/SBI/2000/1, annex III. The Chairman noted that the tentative schedule of meetings should be used as a guide to the

organization of work of the SBI, but that flexibility would be required to respond to the pace of progress.

III. IMPLEMENTATION OF ARTICLE 4.8 AND 4.9 OF THE CONVENTION (DECISION 3/CP.3 AND ARTICLES 2.3 AND 3.14 OF THE KYOTO PROTOCOL)

(Agenda item 3)

MATTERS RELATING TO ARTICLE 3.14 OF THE KYOTO PROTOCOL

(Agenda item 4)

1. Proceedings

8. The SBI considered these items together at its 2nd and 5th meetings, held jointly with the SBSTA, on 12 and 16 June respectively. It had before it document FCCC/SB/2000/2.

9. Statements were made by representatives of 33 Parties, including one speaking on behalf of the African group, one speaking on behalf of the Alliance of Small Island States, one speaking on behalf of the European Community and its member States and one speaking on behalf of the Group of 77 and China.

10. At the 2nd meeting, held jointly with the SBSTA on 12 June, the Chairman of the SBSTA provided a report on the outcome of the workshops mandated by decision 12/CP.5[1] on these items, which were held in Bonn from 9 to 11 March 2000 and from 13 to 15 March 2000. Mr. Bo Kjellen (Sweden) and Mr. Mohamad Reza Salamat (Islamic Republic of Iran), Vice-Chairman of the SBI, provided a report on the informal meetings relating to these items, which they had chaired during the pre-sessional week at the request of the chairmen of the subsidiary bodies. The subsidiary bodies agreed to consider these items by way of a joint contact group. The chairmen appointed Mr. Kjellen and Mr. Salamat to co-chair this contact group.

11. The discussions in the contact group covered a wide range of issues and enabled a better understanding of the specific needs and concerns of developing country Parties arising from the adverse effects of climate change and the impact of the implementation of response measures, under Article 4.8 and 4.9 of the Convention. The same contact group also discussed matters related to Article 3.14 of the Kyoto Protocol.

12. The discussions greatly benefited from the report on the two workshops mentioned in paragraph 10 above. In the course of the discussions, delegations were invited to provide inputs. Subsequently, the co-chairs of the contact group presented a consolidated text, based on the discussions, the inputs and the report of the workshops mentioned in paragraph 10 above. In ensuing sessions there were further discussions on the consolidated text.

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[1] For the full texts of decisions adopted by the Conference of the Parties at its fifth session, see document FCCC/CP/1999/6/Add.1.

2. Conclusions

13. At its 5th meeting, held jointly with the SBSTA on 16 June, having considered a proposal by the chairmen, the SBSTA and the SBI adopted the following conclusions:

(a) The subsidiary bodies considered the report on the two workshops held in Bonn from 9 to 11 March and from 13 to 15 March 2000, and contained in document FCCC/SB/2000/2, and acknowledged the importance of the information provided in the workshops as a valuable input to the work relating to the implementation of Article 4.8 and 4.9 of the Convention, as well as to Articles 2.3 and 3.14 of the Kyoto Protocol;

(b) The subsidiary bodies noted the progress made on addressing the implementation of Article 4.8 and 4.9 of the Convention;

(c) The subsidiary bodies also noted that discussion had commenced on matters relating to Article 3.14 of the Kyoto Protocol;

(d) The subsidiary bodies agreed to forward to their thirteenth sessions the note by the chairmen of the subsidiary bodies (FCCC/SB/2000/5) containing a consolidated text and other inputs from Parties;

(e) The subsidiary bodies invited their chairmen, with the assistance of the secretariat, to develop a text on these issues, on the basis of the consolidated text and other inputs from Parties, as well as comments made in the course of the discussions, to serve as a basis for negotiation at the thirteenth sessions of the subsidiary bodies.

IV. PROCEDURES AND MECHANISMS RELATING TO COMPLIANCE UNDER THE KYOTO PROTOCOL

(Agenda item 5)

1. Proceedings

14. The SBI considered this item at its 2nd and 5th meetings, held jointly with the SBSTA, on 12 and 16 June respectively. It had before it the following documents: FCCC/SB/2000/1 and FCCC/SB/2000/MISC.2 and Corr.1.

15. At the joint meeting on 12 June, Mr. Tuiloma Neroni Slade (Samoa) provided a report on the informal meetings relating to this item, which he had chaired during the pre-sessional week together with Mr. Harald Dovland (Norway), Chairman of the SBSTA, at the request of the chairmen of the subsidiary bodies. The chairmen referred discussion of this item to the

Joint Working Group on Compliance (JWG) established by decision 8/CP.4,[2] under the co-chairmanship of Mr. Dovland and Mr. Slade.

16. At the joint meeting on 16 June, Mr. Slade presented the report of the JWG on its work during the twelfth sessions of the subsidiary bodies (FCCC/SB/2000/CRP.3/Rev.1).

2. Conclusions

17. At the joint meeting on 16 June, the SBSTA and the SBI took note of the report of the JWG, and agreed that it would be annexed to the report of the SBI (see annex III below).

V. MECHANISMS PURSUANT TO ARTICLES 6, 12 AND 17 OF THE KYOTO PROTOCOL

(Agenda item 6)

1. Proceedings

18. The SBI considered this item at its 2nd and 5th meetings, held jointly with the SBSTA, on 12 and 16 June respectively. It had before it the following documents: FCCC/SB/2000/3 and FCCC/SB/2000/MISC.1 and Add.1-2.

19. Statements were made by representatives of 11 Parties, including one speaking on behalf of the Eastern European group, one speaking on behalf of the European Community and its member States and one speaking on behalf of the Group of 77 and China.

20. At the joint meeting on 12 June, a report was provided by Mr. Kok Kee Chow (Malaysia) on the workshop he had chaired relating to this item in the pre-sessional week, at the request of the chairmen of the subsidiary bodies. The subsidiary bodies agreed to consider this item by way of a joint contact group, chaired by Mr. Chow.

2. Conclusions

21. At the joint meeting on 16 June, having considered a proposal by the chairmen, the subsidiary bodies adopted the following conclusions:

(a) The subsidiary bodies considered the note by the chairmen contained in document FCCC/SBI/2000/3, submissions by Parties contained in document FCCC/SB/2000/MISC.1 and Add.1-2 and the informal note by the Chairman of the workshop on mechanisms (Bonn, 5-8 June 2000);

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[2] For the full texts of decisions adopted by the Conference of the Parties at its fourth session, see document FCCC/CP/1998/16/Add.1.

(b) The subsidiary bodies noted the progress made in implementing the work programme on mechanisms contained in decision 7/CP.4;

(c) The subsidiary bodies, recalling decision 14/CP.5, agreed to forward to the thirteenth sessions of the subsidiary bodies the note by the chairmen of the subsidiary bodies contained in document FCCC/SB/2000/4, entitled "Consolidated text on principles, modalities, rules and guidelines", as a basis for further negotiations on mechanisms pursuant to Articles 6, 12 and 17 of the Kyoto Protocol, with priority given to the clean development mechanism, and with a view to the COP taking decisions on all the mechanisms under Articles 6, 12 and 17 of the Kyoto Protocol at its sixth session, including, where appropriate, recommendations to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its first session;

(d) The subsidiary bodies urged Parties, if they wish to make additional submissions, to do so in succinct, legal language and directly related to the text in document FCCC/SB/2000/4, by 1 August 2000, for inclusion in a miscellaneous document to be issued before the thirteenth sessions of the subsidiary bodies. Submissions received later would be issued at the thirteenth sessions.

VI. NATIONAL COMMUNICATIONS FROM PARTIES INCLUDED IN ANNEX I TO THE CONVENTION: EXPERIENCE WITH THE REVIEW OF SECOND NATIONAL COMMUNICATIONS

(Agenda item 7)

1. Proceedings

22. The SBI considered this item at its 1st and 4th meetings, on 12 and 14 June respectively. It had before it the following documents: FCCC/SBI/2000/3 and FCCC/SBI/2000/INF.6.

23. Statements were made by representatives of six Parties, including one speaking on behalf of the European Community and its member States.

2. Conclusions

24. At its 4th meeting, on 14 June, having considered a proposal by the Chairman, the SBI adopted the following conclusions:

(a) The SBI took note of the information and options contained in document FCCC/SBI/2000/3 on the experience with the review of second national communications of Annex I Parties and the information contained in document FCCC/SBI/2000/INF.6 on the progress made with in-depth reviews of second national communications;

(b) The SBI welcomed the fact that the majority of in-depth review visits had taken place and that most of the corresponding reports had been published. It requested the secretariat to conduct as soon as practicable the reviews of those national communications yet to be submitted, and to encompass requests by Parties for review;

(c) The SBI concluded that it would consider at its fourteenth session the issue of developing guidelines for the review of national communications under the Convention, including the options described in document FCCC/SBI/2000/3, and that its considerations at that session should also take into account the guidelines to be developed for the review of national communications under Article 8 of the Kyoto Protocol;

(d) The SBI requested the secretariat to organize in 2001 a workshop, subject to the availability of resources, to exchange information among Annex I Parties on preparations for third national communications and ways to ensure expertise in the review process.

VII. NATIONAL COMMUNICATIONS FROM PARTIES NOT INCLUDED IN ANNEX I TO THE CONVENTION

(Agenda item 8)

A. Report of the first meeting of the Consultative Group of Experts

(Agenda item 8 (a))

1. Proceedings

25. The SBI considered this sub-item at its 1st and 4th meetings, on 12 and 14 June respectively. It had before it document FCCC/SBI/2000/INF.4.

26. Statements were made by representatives of six Parties, including one speaking on behalf of the European Community and its member States.

27. At its 1st meeting, on 12 June, at the invitation of the Chairman, the newly elected Chairman of the Consultative Group of Experts on National Communications from Parties Not Included in Annex I to the Convention (CGE), Mr. José Miguez (Brazil), provided the SBI with an oral report on the Group's first meeting.

2. Conclusions

28. At its 4th meeting, on 14 June, having considered a proposal by the Chairman, the SBI adopted the following conclusions:

(a) The SBI noted with appreciation the information presented by the Chairman of the CGE and in document FCCC/SBI/2000/INF.4, regarding the work plan of the CGE for the period 2000-2001 and the conclusions and recommendations of its regional workshop for Latin America and the Caribbean, respectively;

(b) The SBI took note of views expressed by Parties on the work plan of the CGE and urged the Group to provide, in accordance with decision 8/CP.5, specific recommendations for the improvement of the national communications from Parties not included in Annex I to the Convention, for consideration by the subsidiary bodies at their fourteenth sessions, in order that a decision could be taken at COP 7;

(c) The SBI urged Annex II Parties to contribute financially to the work of the CGE;

(d) The SBI decided to continue its consideration of this sub-item at its resumed thirteenth session, by requesting the Chairman of the CGE to present an updated report on the work of the Group.

B. Provision of financial and technical support
(Agenda item 8 (b))

1. Proceedings

29. The SBI considered this sub-item at its 1st and 4th meetings, on 12 and 14 June respectively. It had before it the following documents: FCCC/SBI/2000/INF.1 and FCCC/SBI/2000/INF.2.

30. Statements were made by representatives of two Parties.

2. Conclusions

31. At its 4th meeting, on 14 June, having considered a proposal by the Chairman, the SBI adopted the following conclusions:

(a) The SBI noted with appreciation the information contained in document FCCC/SBI/2000/INF.1 about the activities undertaken by the secretariat to facilitate the provision of financial and technical support, and the status of preparation of communications from Parties not included in Annex I to the Convention;

(b) The SBI took note of views expressed by Parties and of the information on action taken by the Global Environment Facility (GEF) to provide financial and technical assistance for the preparation of initial national communications contained in document FCCC/SBI/2000/INF.2.

VIII. FINANCIAL MECHANISM
(Agenda item 9)

A. Progress report on the review by the Global Environment Facility of its enabling activities
(Agenda item 9 (a))

B. Progress report by the Global Environment Facility on its capacity-building activities
(Agenda item 9 (b))

1. Proceedings

32. The SBI considered these sub-items together at its 1st and 4th meetings, on 12 and 14 June respectively. It had before it the following documents: FCCC/SBI/2000/INF.3 and FCCC/SB/2000/INF.4.

33. At its 1st meeting, on 12 June, at the invitation of the Chairman, the secretariat of the Global Environment Facility provided the SBI with an oral report on both of these sub-items.

34. Statements were made by representatives of 10 Parties, including one speaking on behalf of the Alliance of Small Island States, one speaking on behalf of the European Community and its member States, and one speaking on behalf of the Group of 77 and China.

2. Conclusions

35. At its 4th meeting, on 14 June, having considered a proposal by the Chairman, the SBI adopted the following conclusions:

(a) The SBI took note of the report of the Global Environment Facility on progress in the review of its enabling activities, its capacity-building activities in its normal work programme, its Country Dialogue Workshops and its Capacity Development Initiative (CDI) (FCCC/SB/2000/INF.4);

(b) The SBI noted with satisfaction the work undertaken so far by the GEF in its review of enabling activities and further noted the importance of the review process being transparent, involving key stakeholders in the countries concerned and addressing gaps in information on capacity-building needs and priorities;

(c) The SBI requested that the final report of the GEF reflect both the achievements and the problems encountered in the implementation of enabling activities;

(d) The SBI recognized that the findings of the review of enabling activities could provide inputs to the UNFCCC negotiations on capacity-building;

(e) The SBI invited the GEF Council to forward the report on the review of its enabling activities for consideration by the Conference of the Parties at its sixth session;

(f) The SBI noted with appreciation the progress made by the GEF in the preparation of its Capacity Development Initiative;

(g) The SBI stressed that the CDI process should be country-driven, take long-term perspectives on capacity-building needs and priorities, and ensure that this process takes into consideration the progress made in capacity-building negotiations under the UNFCCC.

C. Additional guidance to the Global Environment Facility: support to the Intergovernmental Panel on Climate Change

(Agenda item 9 (c))

1. Proceedings

36. The SBI considered this sub-item at its 1st and 4th meetings, on 12 and 14 June respectively.

37. Statements were made by representatives of two Parties, including one speaking on behalf of the European Community and its member States.

38. At its 1st meeting, on 12 June, at the invitation of the Chairman, the Chairman of the Intergovernmental Panel on Climate Change (IPCC), Mr. Robert Watson, provided the SBI with an oral status report on this matter.

2. Conclusions

39. At its 4th meeting, on 14 June, having considered a proposal by the Chairman, the SBI adopted the following conclusions:

(a) The SBI took note of the statement by the Chairman of the IPCC about the status of a project on "Assessment of Impacts of, and Adaptation to, Climate Change in Multiple Regions and Sectors in Coordination with the IPCC". A project feasibility proposal had recently been approved by the Global Environment Facility;

(b) The SBI noted the importance of the project's objectives, namely, to develop national and regional capacity to undertake assessments of climate change impacts and adaptation response options, and to improve the level of participation of developing country experts in the IPCC assessments of climate change;

(c) The SBI anticipated with satisfaction the consideration of the full project by the GEF Council at its next meeting and its prompt implementation;

(d) The SBI requested the Chairman of the IPCC, in consultation with the GEF Secretariat, to report on the further development of the project at its thirteenth and fourteenth sessions.

IX. ARRANGEMENTS FOR INTERGOVERNMENTAL MEETINGS
(Agenda item 10)

1. Proceedings

40. The SBI considered this item at its 3rd meeting, on 13 June. It had before it document FCCC/SBI/2000/4, which was introduced by the Executive Secretary.

41. Statements were made by representatives of 14 Parties, including one speaking on behalf of the African group, one speaking on behalf of the European Community and its member States, and one speaking on behalf of the Group of 77 and China.

42. The representative of France made a statement on the arrangements for the thirteenth sessions of the subsidiary bodies to be held in Lyon. The representative of Morocco formally offered to host the seventh session of the Conference of the Parties in Marrakech. The representative of the Netherlands reiterated that the aim of his Government was to create an enabling environment for a successful sixth session of the Conference of the Parties in The Hague.

2. Conclusions

43. At its 3rd meeting, on 13 June, having considered a proposal by the Chairman, the SBI adopted the following conclusions:

(a) The SBI welcomed the generous offer of the Government of France to host the thirteenth sessions (first part; see also subparagraph (d) below) of the subsidiary bodies in the city of Lyon and requested the Executive Secretary to conclude a host country agreement with the Government of France on arrangements for the sessions. The SBI underlined the importance of achieving substantial progress, engendering political visibility and building momentum in Lyon;

(b) The SBI welcomed the designation of Mr. Jan Pronk, Minister of Housing, Spatial Planning and the Environment of the Netherlands, for the office of President of COP 6;

(c) The SBI noted that the Executive Secretary would take into account views expressed by Parties at its twelfth session when preparing the provisional agenda for the sixth

session of the Conference of the Parties in accordance with rule 9 of the draft rules of procedure being applied;

(d) The SBI concluded that the opening of COP 6 should take place on Monday, 13 November 2000 to elect the President and to consider certain organizational matters, to be followed immediately by the second part of the thirteenth sessions of the subsidiary bodies that would recommend decisions and conclusions for adoption by COP 6. The SBI endorsed the scenario for the organization of COP 6 set out in document FCCC/SBI/2000/4, paragraphs 11-12;

(e) The SBI underlined the importance of enhanced participation in COP 6 and the important meetings leading up to it. It expressed the hope that additional contributions to the Trust Fund for Participation in the UNFCCC Process would be forthcoming in the next few months;

(f) The SBI took note of the dates proposed by the secretariat for the sessional periods in 2004 and decided to recommend the following for adoption by COP 6:

(i) First sessional period: from 14 to 25 June 2004,
(ii) Second sessional period: from 29 November to 10 December 2004;

(g) The SBI welcomed the generous offer by Morocco to host the seventh session of the COP and requested the secretariat to review the facilities and report to the SBI at its thirteenth session, with a view to the SBI agreeing on the text of a draft COP decision at the first part of that session;

(h) The SBI requested the secretariat to prepare elements of a draft input on the UNFCCC process to the 10-year comprehensive review of the United Nations Conference on Environment and Development (Rio+10), which is to take place in the year 2002, for consideration at its fourteenth session, with a view to recommending a draft decision for adoption by COP 7.

X. ADMINISTRATIVE AND FINANCIAL MATTERS
(Agenda item 11)

Late payment of contributions: response options

1. Proceedings

44. The SBI considered this item at its 1st and 6th meetings, on 12 and 16 June respectively. It had before it the following documents: FCCC/SBI/2000/2 and FCCC/SBI/2000/INF.5.

45. Statements were made by representatives of nine Parties, including one speaking on behalf of the European Community and its member States.

46. At its 1st meeting, on 12 June, the SBI considered the report of the Executive Secretary on late payment of contributions: response options, as provided in document FCCC/SBI/2000/2. After listening to the presentation by the Executive Secretary and comments by several delegations, some of which expressed concern over the additional options contained in paragraph 19 of the above-mentioned document, the Chairman asked Mr. Mohamed M. Ould El Ghaouth (Mauritania) to conduct informal consultations with interested Parties.

2. Conclusions

47. At its 6th meeting, on 16th June, having considered a proposal by the Chairman, the SBI adopted the following conclusions:

(a) The SBI requested the Executive Secretary to submit further relevant information at its thirteenth session, after consulting with the United Nations on its practices in responding to late payment of contributions, for consideration by the SBI at that session;

(b) The SBI decided to transmit an initial draft decision proposed by the Chairman, which was not considered at its twelfth session, for consideration at its thirteenth session in September, with a view to recommending a draft decision for adoption by COP 6 (see annex I below).

Implementation of the Headquarters Agreement

1. Proceedings

48. At the 3rd meeting, on 13 June, the Executive Secretary made a statement on the implementation of the Headquarters Agreement. He addressed matters related to the integration of the United Nations, its staff and their families in the host country and the growing needs of the UNFCCC secretariat for office space to carry out the growing work programme required by the Parties. He expressed appreciation for improvements achieved in these areas, through the actions of the Government of Germany and the city of Bonn, and highlighted some outstanding difficulties.

49. The representative of the host Government made a statement confirming the continuing commitment of the Government of Germany to provide the best possible working conditions for the United Nations in Bonn. He outlined his Government's current efforts to respond to the evolving needs of all United Nations entities in this city, *inter alia* by finding a durable solution to their accommodation needs at one site.

50. Statements were made by nine Parties, including one speaking on behalf of the Group of 77 and China.

2. Conclusions

51. At its 6th meeting, on 16 June, having considered a proposal by the Chairman, the SBI adopted the following conclusions:

(a) The SBI welcomed the continuing commitment of the Government of Germany to develop Bonn as a centre for international cooperation and a location for United Nations activities and to provide the best possible working conditions for the United Nations in Bonn. It noted with appreciation the improvements achieved and with concern the outstanding difficulties mentioned by the Executive Secretary;

(b) The SBI welcomed the statement made by the representative of Germany reiterating his Government's commitment to accommodate the UNFCCC secretariat and the other United Nations organizations in Bonn at one site. The SBI supported the concept under discussion to meet this need by rebuilding the former parliamentary complex in Bonn into an international conference and congress centre, including a new plenary hall;

(c) The SBI noted that the UNFCCC secretariat had outgrown the space available to it in the premises it shares with other United Nations entities in Bonn. It further noted the offer of the host Government to satisfy the secretariat's need for additional space on an interim basis, while awaiting the availability of the proposed centre for international cooperation. It noted with concern that the interim accommodation offered would split the secretariat into two locations and noted that a need for additional office space might arise from future growth in the programme budget approved by the Conference of the Parties. It invited the host Government to renew its efforts to provide the secretariat with sufficient and suitable interim accommodation at one site;

(d) The SBI further noted with concern the difficulties experienced by some delegates in obtaining visas before departure from their home countries, especially for a sufficient length of stay in Germany, and by the UNFCCC secretariat with regard to visas, residence status and work permits for family members. It welcomed the assurance of the host Government that it would strengthen its efforts to develop better practices in these matters and its appointment of a contact person to address existing problems in cooperation with the secretariat;

(e) The SBI decided to consider these matters further at the first part of its thirteenth session and invited the delegation of Germany and the Executive Secretary to provide information to it on that occasion regarding further improvements achieved and other steps taken to address the concerns expressed above, in accordance with relevant provisions of the Headquarters Agreement.

XI. REPORT ON THE SESSION
(Agenda item 12)

52. At its 6th meeting, on 16 June, the SBI considered the draft report on its twelfth session (FCCC/SBI/2000/L.1).

53. At the same meeting, on a proposal by the Chairman, the SBI authorized the Rapporteur, with the assistance of the secretariat, to complete the report on the session, under the guidance of the Chairman.

XII. CLOSURE OF THE SESSION

54. At the final joint meeting of the SBSTA and the SBI, on 16 June, the Chairman of the SBI recalled that informal consultations had been held on capacity-building throughout the session, and that the issue would be on the provisional agenda of the subsidiary bodies for their thirteenth sessions.

55. At the same joint meeting, the chairmen of the subsidiary bodies recalled that at the first joint meeting on 12 June, Burkina Faso, supported by many other countries, had called for the subsidiary bodies to formally express sympathy and solidarity with the Government and peoples of southern Africa, particularly with Mozambique, where a cyclone had brought devastation and great loss of life. In response to this call, and having considered a proposal by the chairmen, the subsidiary bodies recommended a draft resolution on solidarity with southern African countries, particularly with Mozambique, to the Conference of the Parties for adoption at its sixth session (see annex II below). The chairmen of the subsidiary bodies urged Parties to give immediate effect to the provisions of the draft resolution, including the call for technical and financial assistance to affected countries, pending its formal adoption.

56. On the adoption of the recommendation of the draft resolution, a statement was made by the representative of Mozambique thanking the subsidiary bodies for their expression of solidarity.

57. Also at the final joint meeting, closing statements were made by representatives of 17 Parties, including one speaking on behalf of the African group, one speaking on behalf of the Alliance of Small Island States, one speaking on behalf of the European Community and its member States and one speaking on behalf of the Group of 77 and China. The Chairman of the SBI provided information to the subsidiary bodies on the schedule for inter-sessional work prior to COP 6.

Annex I

DRAFT DECISION FOR CONSIDERATION BY THE SUBSIDIARY BODY FOR IMPLEMENTATION AT ITS THIRTEENTH SESSION

Draft decision -/CP.6

Late payment of contributions: response options

The Conference of the Parties,

Recalling paragraph 8 (b) of its financial procedures,

Having considered the report of the Executive Secretary on late payment of contributions: response options (FCCC/SBI/2000/2),

1. *Takes note* of the initiatives already taken by the secretariat as indicated in document FCCC/SBI/2000/2, paragraph 17;

2. *Urges* all Parties to the Convention to note that contributions to the core budget are due on 1 January of each year, and to pay their respective contributions promptly and in full by that date;

3. *Requests* the Executive Secretary to continue using persuasion as well as other means, including posting the status of contributions on the Convention's web site in a more visible manner, to encourage Parties to make their contributions in time;

4. *Decides* that, with effect from 1 January 2001, Parties whose contributions are in arrears of one full year or more will not be eligible:

(a) For membership of the Bureau of the Conference of the Parties and its subsidiary bodies;

(b) To participate in the debates at its sessions and at sessions of its subsidiary bodies;

(c) For invitation to inter-sessional workshops and other meetings;

5. *Decides* that, with effect from 1 January 2001, Parties which would normally be eligible for funding, and whose contributions are in arrears for one full year or more, will not receive funding to attend any sessions;

6. *Also decides* that Parties which are least developed or small island States are exempt from paragraphs 4 and 5 unless their contributions are in arrears for two years or more;

7. *Decides further* that, with effect from 1 January 2001, delegations from Parties whose contributions are in the arrears for one year or more will be limited to two members at sessions of the Conference of the Parties and the subsidiary bodies until the arrears of the Party in question have been cleared.

Annex II

DRAFT RESOLUTION RECOMMENDED FOR ADOPTION BY THE CONFERENCE OF THE PARTIES AT ITS SIXTH SESSION

Draft resolution -/CP.6

Solidarity with southern African countries, particularly with Mozambique

The Conference of the Parties,

Noting with deep concern the considerable loss of life, devastation and destruction caused by Cyclone Eline in southern Africa, in particular Mozambique,

Aware of the high vulnerability of African countries to climate phenomena,

Concerned that global warming may contribute to the increasing frequency and severity of extreme weather events,

Noting the need for urgent action to improve early warning and disaster preparedness,

1. *Expresses* to the people and governments of southern Africa, in particular Mozambique, its strongest solidarity in the tragic circumstances they are facing, which demonstrate the need to take action to prevent and mitigate the effects of climate change, particularly in the most vulnerable countries;

2. *Invites* the international community, including intergovernmental and non-governmental organizations, to lend immediate assistance to affected countries;

3. *Urges* all governments, United Nations agencies, intergovernmental and non-governmental organizations, the private sector and society in general to continue their efforts to find permanent solutions to the factors which cause or may cause climate events, with the aim, *inter alia*, of bringing the Kyoto Protocol into force as early as possible;

4. *Invites* support for southern African States, particularly Mozambique, in their reconstruction;

5. *Invites* United Nations agencies and other Parties to assess and document the full impact, to the extent feasible, of Cyclone Eline on the people and economies of southern Africa, in particular Mozambique;

6. *Urges* all Parties to provide increased technical and financial assistance for the affected countries.

Annex III

REPORT OF THE JOINT WORKING GROUP ON COMPLIANCE ON ITS WORK DURING THE TWELFTH SESSIONS OF THE SUBSIDIARY BODIES, INCLUDING PROPOSALS FOR A TEXT ON COMPLIANCE

I. INTRODUCTION

1. The meetings of the Joint Working Group on Compliance (JWG) were presided over by Mr. Tuiloma Neroni Slade and Mr. Harald Dovland.

2. The co-Chairman of the JWG, Mr. Harald Dovland, opened the meetings of the JWG on 13 June. He recalled that Parties had held extensive discussions during the inter-sessional period on the development of a compliance system. A workshop was held from 1 to 3 March 2000 where Parties expressed their views on a compliance system. Based on these discussions, the co-Chairmen prepared a set of elements for the development of a compliance system under the Kyoto Protocol. These elements are contained in document FCCC/SB/2000/1, which served as the basis for discussions at the meetings of the JWG.

3. It was noted that the discussion during the week of informal meetings had been fruitful. The co-Chairmen prepared a paper for discussion by the JWG based on preliminary reactions and further proposals by Parties.

II. PROCEDURES AND MECHANISMS RELATING TO COMPLIANCE UNDER THE KYOTO PROTOCOL

1. Proceedings

4. The JWG held discussions on the development of procedures and mechanisms relating to a compliance system under the Kyoto Protocol. Statements were made by representatives of 20 Parties, including one speaking on behalf of the Group of 77 and China, one speaking on behalf of the European Community and its member States and one speaking on behalf of the Alliance of Small Island States.

2. Conclusions

5. On the basis of a proposal by the co-Chairmen, the JWG requested the co-Chairmen, with the assistance of the secretariat, to further develop the text on compliance contained in the annex to this report, to serve as the basis for negotiation, along with inputs from Parties, at the thirteenth sessions of the subsidiary bodies.

III. CLOSURE OF THE MEETINGS

6. At its 4th meeting on 15 June 2000, the co-Chairmen presented the draft report of the JWG. The JWG considered and adopted its report.

Annex

[PROCEDURES AND MECHANISMS RELATED TO COMPLIANCE UNDER THE KYOTO PROTOCOL]

[A COMPLIANCE SYSTEM FOR THE KYOTO PROTOCOL]

Section I. General provisions

Objective

Option 1

The objective of the [procedures and mechanisms related to compliance] [compliance system] [following provisions] is to facilitate, promote and enforce compliance by each Party with its [commitments] [obligations] [contained] in [and under] the Protocol, in particular the [commitment] [obligation] under [Articles 2 and 3] [Article 3.1] [Article 4.1] of the Protocol, [and, as appropriate, the rules, guidelines and procedures thereunder.]

Option 2

The objective of the [procedures and mechanisms related to compliance] [compliance system] [following provisions] is to facilitate, promote and enforce compliance with the Protocol.

Option 3

The objective of the [procedures and mechanisms related to compliance] [compliance system] [following provisions] is to facilitate and promote achievement of the ultimate objective of the Convention.

Nature

Option 1

The [procedures and mechanisms related to compliance] [compliance system] shall be credible, [fair], coherent, comprehensive, unified, effective, predictable, transparent and simple.

Option 2

The nature of the [procedures and mechanisms related to compliance] [compliance system] should not be expressly provided for in the operative text, as its nature will be implicit from the content of the text. Alternatively, its nature could be reflected in the preamble or in a decision accompanying the adoption of the [procedures and mechanisms related to compliance] [compliance system].

Principles

Option 1

The operation of the [procedures and mechanisms related to compliance] [compliance system] shall [be guided by] [be based on] the [principles set out in Article 3 of the Convention] [and the recognized principles under international law.] [and in particular shall]:

[1. Be proportionate, in that the procedures, mechanisms and consequences should take into account the cause, type, degree and frequency of non-compliance;]

[2. Adhere to the principle of common but differentiated responsibilities as defined in the Convention;]

[3. Treat all Parties that have undertaken the same [commitments] [obligations] in an equivalent manner;]

[4. Be based on principles of efficiency and due process allowing Parties, and in particular the Party concerned, an opportunity for a full, fair and timely [consideration and] resolution of compliance-related issues; [, including the presumption that a Party has complied with its commitments unless non-compliance is established.]]

[5. Preserve sovereign rights of Parties;]

[6. Provide for reasonable certainty; prevention of non-compliance; importance of domestic compliance and enforcement; creating appropriate incentives to comply; restoration to the environment of excess tonnes; automaticity; and transparency.]

Option 2

Principles governing the operation of the [procedures and mechanisms related to compliance] [compliance system] should not be expressly provided for in the text, as they are contained in the Convention and the Protocol and could be implicit from the content of the text, or be reflected in the preamble or in a decision accompanying the adoption of the [procedures and mechanisms related to compliance] [compliance system].

Scope of application

Option 1

The [procedures and mechanisms related to compliance] [compliance system] shall apply to all [commitments] [obligations] [contained] in [and under] the Protocol.

Option 2

The [procedures and mechanisms related to compliance] [compliance system] shall apply to all [commitments] [obligations] [contained] in [and under] the Protocol [as provided in this decision.] [, except where otherwise provided.]

Option 3

The [procedures and mechanisms related to compliance] [compliance system] shall apply to all [commitments] [obligations] [contained] in [and under] the Protocol, [and as appropriate, the rules, guidelines, and procedures thereunder [, except that all compliance and non-compliance issues with respect to the clean development mechanism (CDM) shall be dealt with exclusively by the executive board of the CDM]].

Option 4

The [procedures and mechanisms related to compliance] [compliance system] shall apply to [Articles 3.1, 4.1, 5, 7, 8, 6, 12, 17] [all [commitments]] [obligations] of Annex I Parties [contained] in [and under] the Protocol. All issues of compliance with other [commitments] [obligations] [contained] in [and under] the Protocol shall be addressed and determined by the multilateral consultative process established pursuant to Article 16.

Functions

The [procedures and mechanisms related to compliance] [compliance system] shall [complement] [be supplemental to] the other compliance-related provisions of the Protocol. [They] [It] shall perform the following [general] functions:

[1. [Decide] [Advise] which questions [regarding implementation submitted to it] shall be pursued [in accordance with agreed criteria];

2. Provide [for] advice and [facilitate] assistance to the Party concerned regarding its implementation of the Protocol;

[3. Determine questions raised related to application of any adjustment under Article 5.2;]

[4. Address specific questions arising under Articles [4], 6, [12] and [, if provided for by an amendment to the Protocol, Article] 17, including any questions in respect of Article 6.4;]

[5. Address [an allegation] that a Party is failing to meet the eligibility requirements contained in and under Articles 6, [12] and [, if provided for by an amendment to the Protocol, Article] 17;]

6. Address questions of [alleged] [non-compliance] [compliance] by [individual][Annex I] Parties [, and specific questions under Article 3.14]; and [determine] [make a recommendation as to] whether or not a Party is in compliance with Article [3.1] [Articles 2 and 3] [Article 4.1] [, through the subsidiary body on compliance to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (COP/MOP)];

7. [Determine] [Recommend] [and/or apply] appropriate outcomes or consequences [; and/or in the case of a mandatory outcome or consequence [concerning an Annex I Party], apply [it] [them] as set forth in paragraph ...]

[Recommend appropriate outcomes in accordance with section IV, paragraph 1, and apply appropriate consequences in accordance with section IV, paragraphs 2, 3 and 4.]

Section II. Establishment and structure

Establishment

Option 1

1. The [compliance body][1] is hereby established. [, as a subsidiary body pursuant to Article 13.4 [(h)] [j] of the Protocol.] [under Article 18.]

[2. The [compliance body] may establish such sub-groups or panels as it deems necessary to carry out its functions.]

Option 2

1. The [compliance body] is hereby established. [, as a subsidiary body pursuant to Article 13.4 [(h)] [j] of the Protocol.] [under Article 18.]

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[1] The formal title of the compliance body, whether compliance insititution, compliance authority, compliance committee, compliance system, procedures and mechanisms related to compliance, or other, is yet to be decided.

2. The [compliance body] shall consist of two branches, to be designated as branch 1 and branch 2. [, dealing with facilitation and enforcement, respectively.][2]

(a) Mandate of branch 1

Branch 1 shall provide [for] advice and [facilitate] assistance to individual Parties. [, and otherwise [decide] [make recommendations on] questions of implementation whose treatment may potentially lead to outcomes of [a non-mandatory] [facilitative] nature, set out in paragraph . . .]

(b) Mandate of branch 2

[Branch 2 shall [decide] [advise] on questions of implementation [of Annex I Parties] that warrant treatment of a more judicial nature and that can potentially lead to [pre-agreed] outcomes of [a mandatory] [enforcement] nature, as set out in paragraph... It shall address:]

[The role of branch 2 shall be limited to assessing:]

(i) Non-compliance with [Articles 2 and 3] [Article 3.1] of the Protocol;

(ii) The [alleged] failure [by Annex I Parties] to meet the eligibility requirements for one or more of the mechanisms under Articles 6, [12] [, if provided for by an amendment to the Protocol, Article] 17 [, including determining that a suspended Party may resume use of one or more such mechanisms];

[(iii) Non-compliance with Articles 5 and 7];

(iv) The application of adjustments under Article 5.2 [, in the event of a dispute];

[(v) Failure to achieve the emission level under Article 4];

[(vi) Failure to implement Article 3.14].

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[2] The formal titles of the branches, whether facilitative branch or consultative branch, enforcement branch or compliance branch, are yet to be decided.

Structure[3]

1. The [compliance body] [branch 1] [branch 2] shall consist of [no more than][...] [10] [12] [15] [21] [20] [25] [30] members [to be assisted by a roster of experts]. It shall be composed of experts of recognized competence in relevant fields, such as the scientific, technical, socio-economic and legal fields. [The [compliance body] [branch 1] [branch 2] may draw upon such other expertise as it deems necessary.]

2. The members of the [compliance body] [branch 1] [branch 2] shall be [nominated by Parties and shall act in their personal capacity] [representatives of Parties]. The [election] of members shall be based on [equal representation of the five United Nations regional groups] [one half to be elected from among Annex I Parties and one half to be [elected] from among non-Annex I Parties] [a larger proportional representation from among Annex I Parties] [within the group of Annex I and non-Annex I Parties representation shall be based on equitable geographic representation].

3. The members of the [compliance body] [branch 1] [branch 2] shall be [elected] by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (COP/MOP) for [2] [3] [4] years. The COP/MOP shall [elect] [..] members for a term of [two] years and [..] members for a term of [..] years. At two-year intervals thereafter, the COP/MOP shall alternately [elect] [..] new members for a term of [..] years. Outgoing members may be [re-elected] for one consecutive term.

Section III. Procedures

[Referral] [Submission] of questions to the [compliance body]

Option 1

1. Questions regarding the implementation of the Protocol may be submitted to the [compliance body] [branch 1 or branch 2], [through the secretariat,] with corroborating information:

[(a) In reports of the expert review teams under Article 8] [In questions identified in accordance with relevant provisions under Article 8];

(b) By any Party with respect to implementation of its own [commitments] [obligations];

[(c) By any Party with respect to the implementation of another Party's [commitments] [obligations] [only with respect to branch 1];

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[3] The composition and expertise of each branch will depend on the determination of options under section II, "Establishment".

[(d) By the COP/MOP [, except that a Party may not participate in the decision with respect to a question directly concerning itself];

[(e) By a body of representatives established by the COP/MOP];

[(f) By the executive board or other bodies established under Articles 6, 12 or 17.]

[(g) By the secretariat].

[2. The secretariat shall receive the reports of the expert review teams under Article 8; and shall transmit [any question regarding implementation identified in the report] [all the reports] to the [compliance body].]

Option 2

[The following are questions of implementation that can be submitted to the [compliance body] [branch 1 or branch 2]]:

[1. Questions of implementation indicated in reports prepared by expert review teams as listed by the secretariat];

[2. Questions raised by a Party concerning the implementation of its obligations under the Protocol];

[3. Questions raised by a Party or Parties concerning the implementation of the obligations of another Party under the Protocol].

Preliminary examination of questions

[1. The [compliance body] [chairperson of the [compliance body]] [chairpersons of branches 1 and 2] [screening panel] [screening panel set up by the COP/MOP, with equal representation of the five United Nations regional groups] shall forward the question submitted under paragraphs... to the relevant branch in accordance with the mandate of that branch.] [, where multiple questions submitted raise the same type of issues (e.g. specific methodologies, interpretation of the same provisions of the Protocol) the matter [may][shall] be referred to the Subsidiary Body for Implementation (SBI) or the Subsidiary Body for Technological and Technical Advice (SBSTA).]

2. The [compliance body] [relevant branch] [screening panel] [screening panel set up by the COP/MOP, with equal representation of the five United Nations regional groups] shall make a preliminary examination of questions submitted to it, other than those raised by a Party concerning itself [, to ensure that the questions are supported by sufficient information], [in accordance with agreed criteria [established] [adopted] by the [compliance body] [COP/MOP]] and [are otherwise not *de minimis* or ill-founded questions].

[3. Preliminary examination of questions shall be completed within [...] weeks after receiving [a question of implementation].]

[4. Following this preliminary examination, [branch 2] may forward a question within its mandate to [branch 1] for consideration on how to address that question. If the matter at issue has not been resolved within [x] weeks, [branch 1] shall return that question to [branch 2] for its determination.]

Proceedings [of the compliance body]

1. *Decision-making*

Option 1

The members of [the compliance body] [branch 1] [branch 2] shall make every effort to reach agreement on its [decisions] [recommendations] by consensus. If all efforts at consensus have been exhausted, and no agreement reached, the decision shall as a last resort be adopted by a [three-quarters majority] vote of [the Parties] [members] present and voting at the meeting.

Option 2

The [compliance body] [branch 1] [branch 2] shall make its [decision] [recommendation] [by consensus] [by [...] majority of the members of the [compliance body][branch1][branch 2] present and voting] [by double majority of the members from Annex I Parties and the members from non-Annex I Parties] [according to the rules of the COP/MOP].

[2. *Participation of Parties*[4]

The Party [in question] [concerned] shall be entitled to [nominate a] [designate one or more] person [s] to represent it during the consideration of its case by [the compliance body] [branch 1] [branch 2], [and shall have the right through its representative to call, require the attendance of, and question witnesses.] The Party [in question] [concerned] shall [be given the opportunity] [be entitled] to comment on [any information used by the [compliance body] [branch 1] [branch 2] as a basis for its deliberation and on] the draft conclusions and recommendations of [the compliance body] [branch 1] [branch 2] but shall not take part in the drafting and adoption of its [decisions] [recommendation] on that matter.]

3. *Avoidance of conflict of interest*

No member of [the compliance body] [branch 1] [branch 2] who is a national of a Party that is involved in a matter before the [compliance body] shall take part in the [consideration,]

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[4] The participation of Parties may be different, and may need to be provided for, in respect of the operation of branch 1 and branch 2.

drafting and adoption of any decision [on that matter] [in which they have a direct or indirect interest].

4. *Sources of information*

Option 1

(a) The [compliance body] may seek information from the following sources:

(i) Reports by expert review teams under Article 8 of the Protocol;

(ii) Information provided by Parties concerned;

[(iii) Other [experts,] and [non-governmental] organizations [with relevant and specified knowledge and expertise related to the Protocol and the Convention]; and

[(iv) Any other source that it considers to be appropriate.]

[(b) The [compliance body] shall ensure the confidentiality of [any information that it has received in confidence].]

Option 2

(a) The [compliance body] shall base its deliberations on:

(i) Reports by expert review teams under Article 8 of the Protocol;

(ii) Information provided by Parties concerned;

(iii) Relevant reports of the COP/MOP and its subsidiary bodies.

(b) The [compliance body] may [seek] [receive] additional information from:

[(i) Other experts and organizations [, as appropriate];] and

[(ii) Any other source that it considers to be appropriate.]

[(c) The [compliance body] shall ensure the confidentiality of [any information that it has received in confidence].]

5. [The COP/MOP shall develop] [[This decision shall set] detailed rules for the operation of the [compliance body] [branch 1] [branch 2], including additional rules related to other procedural matters, as well as proceedings for appeal set out in paragraph ....

6. *Other procedural arrangements*

Option 1

Procedural arrangements related to [facilitation] [branch 1] and [enforcement] [branch 2] are contained in annexes a and b. An expedited procedure related to cases under Articles 6, 12 and 17 is contained in annex c.

Option 2

(a) Procedural arrangements related to [only] [facilitation] [branch 1]

The provisions now contained in annex a might be set out here, with necessary modifications.

(b) Procedural arrangements related to [enforcement] [branch 2]

The provisions now contained in annex b might be set out here, with necessary modifications.

(c) Expedited procedure with respect to questions under Articles 6, 12 and 17.

The provisions now contained in annex c might be set out here, with necessary modifications. This procedure might be dealt with by branch 2.

Appeal

Option 1

1. An appeal [procedure] shall be available for [all] decisions involving outcomes or consequences of [a mandatory] [enforcement] nature [relating to non-compliance with Article 3.1].

2. The appeal [procedure] shall be [decided][carried out] by [a [standing] [ad hoc] appellate body] [the COP/MOP]. [The COP/MOP may agree by consensus to override the decision on appeal.] [The Party whose compliance or non-compliance is under consideration may not participate in any decision on appeal directly concerning that Party.]

Option 2

There should be no procedure for appeal.

COP/MOP

1. The [compliance body] shall report [through the secretariat] on its [advisory] activities [and judicial work] to each ordinary session of the COP/MOP;

2. The COP/MOP shall consider [decisions] [reports] [and conclusions] of the [compliance body], [including any issues regarding implementation [as well as trends of problems] that may have implications for the work of the subsidiary bodies];

[3. The COP/MOP [shall] [may] [accept] [take note of] [receive] [modify] [or reject] the [reports] [decisions] of the [compliance body], [unless the COP/MOP decides by consensus not to do so.] [, except that a Party that is a subject of appeal may not vote on appeal.]

[4. The COP/MOP shall provide general policy guidance [or background] to the [compliance body].]

True-up period

1. [...] [one] month[s] shall be allowed after [the end of the commitment period] [the publication of the final report of the expert review of the inventory of the last Party to be reviewed for the last year of the commitment period], [other], to be known as the true-up period.

2. During the true-up period, in order to fulfil its commitments under Article 3.1, any Party may:

(a) [Acquire [and transfer] parts of assigned amount from the commitment period in question];

(b) [Continue to utilize Articles 6, [12] and [, if provided for by an amendment to the Protocol, Article] 17 (provided it has not been found ineligible to participate in any mechanism under those Articles)];

(c) [Make a voluntary payment into a climate change fund(s)].

Section IV. Outcomes and consequences [of non-compliance or potential non-compliance, taking into account the implications of Article 18]

1. The [compliance body] [branch 1] may, depending upon the particular case before it, [decide] [make recommendations] upon one or more [of the following [outcomes and] [facilitative] consequences:

(a) Provision [of] [for] advice and [facilitating] assistance to individual Parties regarding implementation of the Protocol;

(b) [Facilitation of financial and technical assistance, including technology transfer and capacity-building, to [non-Annex I] Parties;]

(c) [Making recommendations];

(d) Publication of non-compliance or potential non-compliance;

(e) Issuing of cautions;

[(f) Initiation of the enforcement procedure set out in annex b]

[[Mandatory] consequences shall not be applied to non-Annex I Parties]

2. [The [compliance body] [branch 2] shall apply adjustments, where necessary.]

3. The [compliance body] [branch 2], in the case where it has [determined] [established] that [a Party] [an Annex I Party] has failed to meet certain eligibility requirements related to the mechanisms under Articles 6, [12] and [, if provided for by an amendment to the Protocol Article] 17, shall [make a recommendation regarding] [suspend] the [Annex I] Party's eligibility for the mechanisms in question, in accordance with the provisions in or under Articles 6, [12] and/or [, if provided for by an amendment for the Protocol, Article] 17, as applicable.]

Or

[If an [Annex I] Party is found by the [compliance body] [branch 2] to be in breach of any of the eligibility requirements under Articles 6, [12] [and] [or] [, if provided for by an

amendment to the Protocol, Article] 17, [that Party] [and other members of that Party's Article 4 arrangement] may not:

(a) [Transfer or] acquire parts of assigned amount; [or]

(b) [Transfer or] acquire emission reduction units; [or]

(c) Acquire certified emission reductions;

in accordance with the provisions of Article 3, until the [compliance body] [branch 2] is satisfied that the Party is in full compliance with the relevant requirements.]

4. If [the compliance body] [branch 2] [appellate body] determines that a Party, following the true-up period, has not complied with [Article 3] [Article 3.1] [Article 4.1] of the Protocol, it shall [apply] [request the Party to choose] [one of] the following consequences [, or a combination thereof] [,taking into account the cause, type, degree and frequency of such non-compliance] [unless the Party can demonstrate to the satisfaction of the [compliance body] [branch 2] that the cause, type, degree or frequency of its non-compliance makes it inappropriate to do so]:

[(a) *Publication of non-compliance*

The [compliance body] [branch 2] shall notify [through…] all Parties to the Protocol of the details of the Party's non-compliance; and publish its determination, including the reasons for it on the UNFCCC web site.]

[(b) *Recommendation of policies and measures*

Recommend policies and measures [, taking into account Article 2.3 of the Protocol] [with the aim...].]

[(c) *Restoration of excess [tonnes]*

Option 1

Determine that [1.3] [1.x] [x] times the [number of] excess tonnes shall be deducted from the Party's assigned amount for the commitment period following the period for which the non-compliance with Article 3.1 occurred.]

Option 2

[Purchase units of assigned amount originating in the first commitment period and apply them towards meeting their Article 3.1 [commitments] [obligations] at a penalty rate of 1.x; or

Purchase units of assigned amount originating in the second commitment period and apply them to meeting their Article 3.1 [commitments] [obligations] at a penalty rate of 1.y; or

Purchase a combination of units of assigned amount originating in both the first and second commitment periods and apply them toward meeting their Article 3.1 [commitments] [obligations] at their respective penalty rates, as set out above.]

[(d) *Compliance action plan*

Option 1

The Party in question shall, within [three] months of the determination of the [compliance body] [branch 2], develop and commit itself to a compliance action plan [, taking into account Article 2.3 of the Protocol,] approved by the [compliance body] [branch 2], which shall include, *inter alia*:

(i) An analysis of the reasons for the Party's non-compliance;

(ii) Policies and measures that the Party intends to implement in order to restore [1.x] times the excess emissions and an analysis of their expected impact on the Party's greenhouse gas emissions;

(iii) A quantified assessment of the use of each of the mechanisms under Articles 6, [12] and [, if provided for by an amendment to the Protocol, Article] 17 during the commitment period;

(iv) A declaration not to make transfers under Article 3, paragraph 11, for the duration of the implementation of the compliance action plan;

(v) Detailed information on the economic dimension of the implementation of any action under (ii) or (iii) above;

(vi) A timetable for implementing the measures within a time-frame not exceeding [three] years, including clear benchmarks for measuring annual progress in the implementation;

(vii) An assessment of the compatibility of the compliance action plan with the strategy developed by the Party to comply with its obligations during the commitment period in which the compliance action plan is implemented.]

Measures implemented under the compliance action plan shall not contribute to any Party's compliance with its quantified emission limitation or reduction commitments during the commitment period in which the compliance action plan is implemented.

The Party concerned shall submit a progress report on the implementation of the compliance action plan to the [compliance body] [branch 2] annually no later than 15 April. On the basis of the progress report, the [compliance body] [branch 2] shall decide on further recommendations, measures or consequences, as appropriate.]

Option 2

The Party in question shall, [within a time period] after the determination of non-compliance, submit to [the compliance body] [branch 2] a compliance action plan setting forth one or more means by which it intends to restore the tonnes in question.

The means may include, for example, use of one or more mechanisms under Articles 6, [12] and [, if provided for by an amendment to the Protocol, Article] 17, particular measures, and non-allocation of tonnes under a domestic cap-and-trading system [, and use of a voluntary compliance fund].

The Party concerned shall submit a progress report on the implementation of the compliance action plan to the [compliance body] [branch 2] annually no later than [..]. On the basis of the progress report, the [compliance body] [branch 2] shall determine whether the requisite tonnes have been restored.

In the case where [the compliance body] [branch 2] determines [within a specific time-frame,] that some or all of the requisite tonnes have not been restored, it shall deduct the remaining tonnes from the Party's assigned amount for the commitment period following the period for which the non-compliance with Article 3.1 occurred.

Option 1

[(e) *Loss of access to the mechanisms under Articles 6, [12] and 17*

The Party may not make any transfer or acquisition under Article 3, above a level and for a period of time to be determined by [the compliance body] [branch 2].]

Option 2

[(e) *Loss of eligibility to transfer tonnes*

Until the Party has demonstrated to the [compliance body][branch 2] that it will have a surplus of assigned amount in the subsequent commitment period, its eligibility to transfer assigned amount under Article 17 shall be suspended.]

[(f) *Compliance fund*

[A compliance fund is hereby established.]

[[Each] [Every] [The] Party [shall] [may] make payments into the compliance fund at a rate that equals [...] per excess tonne of carbon equivalent multiplied by a factor of [1.x][x]].

The compliance fund shall be administered [nationally][or][internationally].

The fund shall disburse its income and any interest it earns to reduce anthropogenic emissions of greenhouse gases. The emissions reductions achieved shall not contribute to any Party's compliance with its quantified emission limitation or reduction commitments.]

[(g) *Financial penalty*]

[(h) *Suspension of rights and privileges*]

[(i) *Application of Article 4.5 and 4.6*

If one or more Parties operating under Article 4 are found not to be in compliance with Articles 5 and 7, each Party to an agreement under Article 4 shall be responsible for its own level of emissions set out in the agreement.

In accordance with Article 4.6 of the Protocol, any non-compliance consequences under this paragraph shall apply to both the regional economic integration organization and any Party that has exceeded its level of emissions as notified in accordance with Article 4.

If one or more Parties operating under Article 4 have been found to have exceeded their respective levels of emissions, the Parties operating under such agreement shall not be able to

operate under an Article 4 agreement with respect to the commitment period following the period for which the non-compliance with Article 3.1 occurred; and Annex B commitments shall apply.

If one or more Parties operating under Article 4 have been found to have exceeded their respective levels of emissions, another Party operating under that Article 4 agreement shall be able to carry over the assigned amount under Article 3.13 only to the extent that the difference between its emissions and its assigned amount under Article 3 is greater than the amount by

which the non-complying Parties under Article 4 have exceeded their respective levels of emissions.]

[(j) *Compliance reserve*]

Section V. Other provisions

Secretariat

The secretariat shall perform the following functions:

(a) Channel information to the [compliance body];
(b) Service the meetings of the [compliance body];
(c) Act as the channel of communication with other Protocol bodies;
[(d) Refer questions to the [compliance body]]

Relationship with Article 16 of the Protocol

[The multilateral consultative process under Article 16 shall provide advice and facilitate assistance to non-Annex I Parties with respect to issues related to their compliance/non-compliance under the Protocol.]

Relationship with Article 19 of the Protocol

The [compliance body] shall operate without prejudice to Article 19 of the Protocol.

[Evolution] [Modification] [Amendment]

[[Subject to Article 18], the [procedures and mechanisms related to compliance][compliance system] may be modified[5] by consensus of the Parties to the Protocol, taking into account any amendments to the Protocol, decisions of the COP/MOP and experience gained with the working of the process.]

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[5] Depending upon the legal form in which the regime is adopted.

Adoption of procedures and mechanisms related to compliance[a]

[Annex a

PROCEDURAL ARRANGEMENTS RELATED TO [ONLY] [FACILITATION] [BRANCH 1]

Option 1

1. Cases related to facilitation [set out in the mandate of branch 1 (see section II, paragraph....)] shall be dealt with by [the compliance body] [branch 1] in accordance with the procedures in this annex.

2. Where a Party wishes to request advice or facilitation from [the compliance body] [branch 1] concerning implementation of its own obligations under the Protocol, it may contact [the compliance body] [that branch], indicating the nature of the issue and any relevant circumstances.

3. With respect to questions raised in reports of the expert review teams under Article 8, by a Party regarding another Party's implementation of its commitments under the Protocol, or by the forwarding by [branch 2] of a question to [branch 1] in accordance with paragraph...., the [compliance body] [branch 1] shall notify the Party in question and provide a copy of relevant documentation.

4. The Party may [have the right to] participate in the work of [the compliance body] [branch 1] and provide any information in writing.

5. [The compliance body] [Branch 1] may request information from relevant sources. Non-governmental organizations and others with relevant information may [be invited to] provide information to the [compliance body] [branch]. Information received by [the compliance body] [branch 1] shall be made available to the Party in question.

6. With respect to questions of implementation raised by a Party about implementation of its own [commitments] [obligations], the Party may request that the advice or facilitation be provided in confidence. [The compliance body] [Branch 1] shall honour that request, although the nature of the work performed shall be reported to the COP/MOP in the [compliance body's] annual report.

7. [The compliance body] [Branch 1] may specify outcomes set forth in section IV, paragraph.... In such circumstances it shall make public the nature of the implementation issues it reviewed, its conclusions, and the outcomes, if any, it has determined.

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[a] Formal steps for the adoption of any procedures and mechanisms related to compliance would need to be decided.

Option 2

The [compliance body] shall review and consider any questions submitted to it concerning a Party's implementation of its [commitments] [obligations] under the Protocol, along with any supporting information and, with a view to securing an amicable solution of the matter on the basis of respect for the provisions of the Protocol, decide whether to apply one or more of the outcomes or consequences set out in section IV, paragraph ....]

[Annex b

PROCEDURAL ARRANGEMENTS RELATED TO [ENFORCEMENT][BRANCH 2]

Option 1

1. Cases related to enforcement [set out in the mandate of branch 2 (see section II, paragraph...)] shall be dealt with by [the compliance body] [branch 2] in accordance with the procedures in this annex.

2. After preliminary examination of the questions set out in section III, paragraph... , if [the compliance body] [branch 2] decides that these questions require further proceedings, it shall notify the Party in question through the secretariat and provide a statement of relevant issues.

3. [The compliance body] [branch 2] may request information, including clarification, from relevant sources (such as reports from expert review teams under Article 8). Such information shall be made available to the Party in question and to the public. Other Parties, non-governmental organizations and others with relevant information [shall be given the opportunity] [may be invited] to provide information which [the compliance body] [branch 2] shall make available to the Party in question and to the public. The Party shall be afforded the opportunity to respond in writing to any information considered by the [compliance body] [branch].

4. Within [x] weeks from the issuance by [the compliance body] [branch 2] of the notification, the Party in question may provide a written submission in which it presents the facts and its arguments, including any rebuttals of information before the [compliance body] [branch].

5. If so requested by the Party in question in its written submission, [the compliance body] [branch 2] shall hold a hearing. At the hearing, [the compliance body] [branch 2] shall ask the Party in question to present its views. The Party in question may present expert testimony at the hearing.

6. [The compliance body] [Branch 2] may at any time put questions to the Party in question and ask it for explanations either in the course of a hearing or in writing.

7. Within [x] weeks from the Party's written submission, or from the date of the hearing if one has been held, or within [x] weeks from the issuance of the notification if the Party has not

provided a written response, [the compliance body] [branch 2] shall issue a preliminary finding containing its conclusions and reasons therefor.

8. Any findings of [the compliance body] [branch 2] shall be based on the record before it.

9. Within [x] weeks from the date of the issuance of the preliminary finding, the Party in question may provide a further written submission. Within [x] weeks from receiving this submission, or within [x] weeks from the issuance of the preliminary finding if the Party has not provided a further written submission, [the compliance body] [branch 2] shall issue its final decision.

10. [If [the compliance body] [branch 2] decides that the Party in question is not in compliance with Article 3.1, the Party may appeal in accordance with the procedures set out in section III, paragraph.... [Time limits and other provisions for appeal.]]

11. In the case where [the compliance body] [branch 2] has determined that a Party, following the true-up period, is not in compliance with Article 3.1, it shall apply the outcomes specified in section IV, paragraph....

12. In addition to applying the outcomes set forth in section IV, paragraph..., [branch 2] may, at its discretion, decide to forward the case to branch 1 for further consideration.

13. [The compliance body] [branch 2] may prepare rules of procedure that are consistent with the procedures contained herein. Such rules of procedure may be implemented once approved by the COP/MOP and with any modifications made by the COP/MOP.

Option 2

1. Non-compliance with Article 3.1 and the imposition of any outcomes or consequences included in section IV, paragraph... shall be determined in accordance with the enforcement procedure set out in this annex.

2. [Any Party may initiate the enforcement procedure with regard to the compliance of another Party] with its commitments under Article 3.1 of the Protocol, by requesting, through the secretariat, the establishment of an enforcement panel. Any such request must be supported by corroborating information.

3. An enforcement panel shall be established by [the compliance body] at its first meeting following the receipt by the secretariat of a request from a Party, unless [the compliance body] decides by consensus not to establish a panel.

4. Where [the compliance body] concludes that it has sufficient corroborating information to demonstrate the non-compliance of a Party with its commitments under Article 3.1, it may establish an enforcement panel on its own initiative.

5. When [the compliance body] has established an enforcement panel on its own initiative, the matter shall be taken forward by the chairman of [the compliance body]. When the procedure has been initiated at the request of a Party, the matter shall be taken forward by that Party.

6. Each enforcement panel shall be composed of three well-qualified experts, selected by the Executive Secretary of the secretariat from a roster nominated by the COP/MOP.

7. The panel shall make an assessment of the compliance of the Party concerned with its commitments under Article 3.1 and, if it determines that the Party concerned is in breach of these commitments, shall apply one of the consequences set out in section IV, paragraph... taking into account the cause, type, degree and frequency of such breach.

8. Rules of procedure for the enforcement panel shall be drawn up by the COP/MOP prior to the commencement of the first commitment period.]

[Annex c

EXPEDITED PROCEDURE WITH RESPECT TO QUESTIONS UNDER ARTICLES 6, 12 AND 17

Option 1

1. The expedited procedure with respect to questions under Articles 6, [12] and [, if provided for by an amendment to the Protocol, Article] 17 shall be dealt with by [branch 2].

2. When considering and deciding upon cases related to eligibility requirements for the mechanisms under Articles 6, [12] and [, if provided for by an amendment to the Protocol, Article] 17, [branch 2] shall conduct its proceedings in an expedited manner,[7] while respecting due process. Specific time-frames for such proceedings shall be [decided by the COP/MOP] [as follows...].

3. [Branch 2], in the case where it has determined that a Party does not meet the eligibility requirements for one or more of the mechanisms set forth in or under Articles 6, [12] and [, if provided for by an amendment to the Protocol, Article] 17, shall apply the outcome set out in section IV, paragraph....

4. [Branch 2], after determination of non-compliance with the eligibility requirements for one or more of the mechanisms set forth in or under Articles 6, [12] and [, if provided for by an amendment to the Protocol, Article] 17, may decide to forward the case to branch 1 to assist the Party in question in meeting the relevant eligibility requirements.

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[7] The exercise of the expedited procedure might modify certain provisions with respect, for example, to certain time-frames, written submissions, hearings, means of communication and appeals contained in option 1 of annex b.

5. [Branch 2] shall reinstate a Party's eligibility upon its determination, either at the request of the Party in question or at the request of [branch 1] where a case has been forwarded to it by [branch 1], that the Party meets the relevant eligibility requirements.

Option 2

1. Prior to the start of the first commitment period, the [compliance body] shall, within eight weeks of the date of completion of a review under Article 8, and based on the information submitted by the expert review teams, eligibility criteria established under..., and any other relevant information:

(a) Decide that the Party has fulfilled the eligibility criteria set out in ...; or

(b) Make a preliminary finding that the Party does not fulfil one or more of the criteria.

It shall forthwith inform the Party of its decision or preliminary finding and make it available to all the other Parties.

2. During the first commitment period, the [compliance body] shall, based on the information submitted by the expert review teams, review any other relevant information, make decisions on the continuing observance of eligibility criteria established under ... for transfers and acquisitions under the provisions of Article 3.

3. The [compliance body] shall:

(a) Within six weeks of the date on which the submission of the annual greenhouse gas inventory and the annual greenhouse gas inventory report of a Party becomes due, or on which the secretariat registers receipt of such a submission, whichever shall be the earlier, or

(b) Within six weeks of being notified in writing by an expert review team of a problem,

decide that the Party has fulfilled the eligibility criteria or make a preliminary finding that the Party is in breach of one or more of the criteria. It shall forthwith inform the Party of its decision or preliminary finding and make it available to all the other Parties.

4. If a Party in respect of which a preliminary finding has been made does not submit comments on the finding in writing to the [compliance body] within four weeks of the date on which it was informed of it, the [compliance body] shall forthwith confirm its preliminary finding and impose consequences in accordance with section IV, paragraph ....

5. If a Party in respect of which a preliminary finding has been made submits comments on the finding in writing to the [compliance body] within four weeks of the date on which it was

informed of it, the [compliance body] shall, within four weeks of the date on which it received the comments, consider them and any representations made in due time by any other Party and:

(a) Decide that the Party has fulfilled the eligibility criteria for each of the mechanisms in question; or

(b) Confirm, in whole or in part, its preliminary finding and apply outcomes in accordance with paragraph.....

It shall forthwith inform the Party of its decision or preliminary finding and make it available to all the other Parties.

Option 3

General

1. The [compliance body] [branch of the compliance body] shall consider questions with respect to the mechanisms under Articles 6, [12] and [, if provided for by an amendment to the Protocol, Article] 17, and for this purpose shall elect a chairperson and a vice-chairperson. In addition, it shall determine the order by which a chairperson is to be chosen in the event of both the chairperson and the vice-chairperson not being available.

2. The [COP/MOP] [compliance body] [branch of the compliance body] shall agree upon a list of experts from which substitute members may be drawn when some of the members of the [compliance body] [branch of the compliance body] are not available during the period of time to consider a question related to the mechanisms under Articles 6, [12] and [, if provided for by an amendment to the Protocol, Article] 17. The experts in the list shall be divided into two groups; those from Annex I Parties and those from non-Annex I Parties. For each group, the [COP/MOP] [compliance body] [branch of the compliance body] shall agree upon an order in which experts are drawn when needed.

3. All the communications in the expedited procedure shall be in English. As far as possible they should be in electronic form, or by fax.

Process and schedule

4. The expedited process shall be completed within eight weeks. The approximate time allocated for each step shall be as follows:

(a) Screening: one week;

(b) Selection of members to consider the question: one week;

(c) Initial comments by Parties: one week;

(d) E-mail discussion: two weeks;

(e) Drafting of the conclusion with reasons by the chairperson: one week;

(f) Opportunity to make objections to the [compliance body] [branch of the compliance body] in respect of its conclusion: one week;

(g) Preparation for the [meeting] [discussion] [hearing] one week. The [meeting] [discussion] [hearing] shall be scheduled after receipt of comments, if the initial communications had failed to reach a conclusion.

Information to Parties

5. The Party in question shall be informed of every step in the process.

6. The Party shall have every opportunity to provide its views, and/or additional information, during the period of initial comments.

Conclusion

7. The [compliance body] [branch of the compliance body] shall make every effort to reach agreement by consensus. If all efforts at consensus have been exhausted, and no agreement reached, the decision shall, as a last resort, be adopted by a vote [by a double majority of the members of Annex I Parties and the members of non-Annex I Parties].

8. The chairperson shall send decisions, with reasons, to the Parties through the secretariat.
Appeal

9. The Party concerned may appeal the decision of the [compliance body] [branch of the compliance body] in accordance with the procedure set out in section III, paragraph....

Option 4

1. The eligibility panel established under Section II, paragraph..., shall deal, in an expedited manner, with all questions relating to compliance of Annex I Parties with questions specific to mechanisms under Articles 6, [12] and [, if provided for by an amendment to the Protocol, Article] 17. Disputes between the executive board (or other body established for the purposes of the other mechanisms) and a Party relating to the allocation of certified emission reductions shall be referred to the eligibility panel.

2. The eligibility panel shall determine appropriate provisional measures to safeguard the functioning of the mechanisms under Articles 6, [12] and [, if provided for by an amendment to the Protocol, Article] 17.

3. The eligibility panel shall determine the most suitable consequence or outcome to deal with a particular case.]

Annex IV

LIST OF DOCUMENTS BEFORE THE SUBSIDIARY BODY FOR IMPLEMENTATION AT ITS TWELFTH SESSION

FCCC/SBI/1999/14	Report of the Subsidiary Body for Implementation on its eleventh session, Bonn, 25 October - 5 November 1999
FCCC/SBI/2000/1	Provisional agenda and annotations. Note by the Executive Secretary
FCCC/SBI/2000/2	Administrative and financial matters. Late payment of contributions: response options. Note by the Executive Secretary
FCCC/SBI/2000/3	National communications from Parties included in Annex I to the Convention. Experience with the review of second national communications
FCCC/SBI/2000/4	Arrangements for intergovernmental meetings. Note by the Executive Secretary
FCCC/SBI/2000/INF.1	National communications from Parties not included in Annex I to the Convention. Provision of financial and technical support. Activities to facilitate the provision of financial and technical support to non-Annex I Parties for the preparation of national communications
FCCC/SBI/2000/INF.2	National communications from Parties not included in Annex I to the Convention. Provision of financial and technical support. Information on relevant action by the Global Environment Facility
FCCC/SBI/2000/INF.3	Financial mechanism. Progress report on the review by the Global Environment Facility of enabling activities
FCCC/SBI/2000/INF.4	National communications from Parties not included in Annex I to the convention. Report of the first meeting of the Consultative Group of Experts. Report of the first regional workshop of the Consultative Group of Experts on National Communications from Non-Annex I Parties of the Latin America and the Caribbean region

FCCC/SBI/2000/INF.5	Administrative and financial matters. Income and budget performance in the biennium 2000-2001. Status report on receipt of contributions from Parties
FCCC/SBI/2000/INF.6	National communications from Parties included in Annex I to the Convention. Progress report on the in-depth reviews of second national communications
FCCC/SB/2000/1	Procedures and mechanisms relating to compliance under the Kyoto Protocol. Note by the co-Chairmen of the Joint Working Group on Compliance
FCCC/SB/2000/2	Implementation of Article 4.8 and 4.9 of the Convention (decision 3/CP.3 and Articles 2.3 and 3.14 of the Kyoto Protocol). Note by the chairmen of the subsidiary bodies
FCCC/SB/2000/3	Mechanisms pursuant to Articles 6, 12 and 17 of the Kyoto Protocol. Text for further negotiation on principles, modalities, rules and guidelines. Note by the chairmen
FCCC/SB/2000/INF.4	Report on the progress in the review by the Global Environment Facility of its enabling activities, its capacity-building activities in its normal work programme, its Country Dialogue Workshops and its Capacity Development Initiative
FCCC/SB/2000/MISC.1 and Add.1-2	Mechanisms pursuant to Articles 6, 12 and 17 of the Kyoto Protocol. Principles, modalities, rules and guidelines for the mechanisms under Articles 6, 12 and 17 of the Kyoto Protocol. Submissions from Parties
FCCC/SB/2000/MISC.2 and Corr.1	Procedures and mechanisms relating to compliance under the Kyoto Protocol. Submissions from Parties
FCCC/SBI/2000/L.1	Report on the session. Draft report of the Subsidiary Body for Implementation on its twelfth session

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Item 2 (a) of the provisional agenda

PROVISIONAL AGENDA AND ANNOTATIONS

Note by the Executive Secretary

I. INTRODUCTION

1. Arrangements have been made for the thirteenth session of the Subsidiary Body for Implementation (SBI) to be held at the Palais des Congrès, Lyon, France, from 11 to 15 September 2000. A welcoming ceremony is scheduled to take place at 10 a.m. on Monday, 11 September 2000. The session of the SBI is scheduled to be opened by the Chairman at 11 a.m. on the same day.

2. In the light of the decision to increase the number of sessional periods in 2000, the Executive Secretary has, after consulting the Bureau, determined that the most pragmatic means of numbering the sessions is for the sessions of the subsidiary bodies in November 2000, in conjunction with the sixth session of the Conference of the Parties (COP), to be regarded as the resumed thirteenth session. Therefore, the provisional agenda, as presented in this document, covers both parts of the thirteenth session, in Lyon in September (part I) and in The Hague in November (part II). Likewise the annotations, as presented in this document, refer to the thirteenth session as a whole. However, they concentrate mainly on the first part and envisage, to the extent possible, the discussions in the second part. Further annotations for the second part of the session may be issued as an addendum to this document. Separate reports on each part of the session will be prepared.

3. Following agreement reached during the fifth session of the Conference of the Parties (COP 5), the duration of part I of the thirteenth session of the SBI will be one week. This week

of formal meetings will be preceded by a week of informal meetings, beginning at 3 p.m. on 4 September 2000, at the same venue, with the purpose of advancing negotiations on all issues. These consultations will be convened under the authority of the chairmen of the subsidiary bodies and will normally be open to all participants, including observers. Facilities will be available for up to two meetings at a time. The chairmen of the subsidiary bodies have requested the secretariat to maintain the same servicing arrangements for the pre-sessional week as worked well in June, before the twelfth sessions. Consequently, there will be no provision for interpretation or documentation for the week of the informal meetings. It is hoped that the intensive work during the informal week of meetings will promote significant advances in the negotiating process on the various agenda items under consideration during the session.

4. In view of the significant amount of work that needs to be completed in time for the sixth session of the COP, it will be necessary to make full use of the time available at the thirteenth sessions of the subsidiary bodies. Intensive discussions and negotiations will be necessary during the session and week of informal meetings. The objective will be to develop or advance negotiating texts, including the related decisions, by narrowing options, resolving technical issues and seeking to identify possible approaches to consensus on all issues.

5. The subsidiary bodies may wish to give consideration to any budgetary implications of the decisions to be taken taken with particular reference to any requirements in the current biennium but also with a view to future resource requirements, in particular regarding any decisions on the mechanisms under the Kyoto Protocol.

II. PROVISIONAL AGENDA[1]

6. The provisional agenda for the thirteenth session of the SBI, proposed after consultation with the Chairman, is as follows:

1. Opening of the session.

2. Organizational matters:

   (a) Adoption of the agenda;
   (b) Organization of the work of the session.

3. Implementation of Article 4.8 and 4.9 of the Convention (decision 3/CP.3 and Articles 2.3 and 3.14 of the Kyoto Protocol).

4. Matters relating to Article 3.14 of the Kyoto Protocol.

5. Procedures and mechanisms relating to compliance under the Kyoto Protocol.

6. Activities implemented jointly under the pilot phase.

7. Mechanisms pursuant to Articles 6, 12 and 17 of the Kyoto Protocol.

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[1] Items 3 to 8 will be considered jointly with the Subsidiary Body for Scientific and Technological Advice.

8. Capacity-building:

   (a) Capacity-building in developing countries (non-Annex I Parties);
   (b) Capacity-building in countries with economies in transition.

9. National communications from Parties included in Annex I to the Convention: greenhouse gas inventory data from 1990 to 1998.

10. National communications from Parties not included in Annex I to the Convention:

   (a) Provision of financial and technical support;
   (b) Report of the second meeting of the Consultative Group of Experts;
   (c) Second compilation and synthesis of initial national communications from Parties not included in Annex I to the Convention.

11. Financial mechanism:

   (a) Support to the Intergovernmental Panel on Climate Change;
   (b) Report of the Global Environment Facility to the Conference of the Parties;
   (c) Other matters.

12. Venue of the seventh session of the Conference of the Parties.

13. Administrative and financial matters:

   (a) Possible options to respond to late payment of contributions;
   (b) Financial performance 1998-1999 and interim report for 2000;
   (c) Audit reports;
   (d) Implementation of the Headquarters Agreement.

14. Other matters.

15. Report on the session.

III. ANNOTATIONS TO THE PROVISIONAL AGENDA

1. Opening of the session

7. The thirteenth session of the SBI is scheduled to be opened by the Chairman at 11 a.m. on Monday, 11 September 2000.

2. Organizational matters

(a) Adoption of the agenda

8. The provisional agenda for the thirteenth session of the SBI will be presented for adoption. It covers both parts of the thirteenth session, in Lyon in September (part I) and in The Hague in November (part II). It may need to be adjusted to take account of developments during the week of informal meetings preceding part I of the thirteenth sessions of the subsidiary bodies.

9. Items 3 to 8 have been included in the provisional agendas for the thirteenth sessions of both the SBI and the Subsidiary Body for Scientific and Technological Advice (SBSTA).

(b) Organization of the work of the session

10. Parties are invited to refer to the proposed schedule of work for part I of the session contained in annex II to this document.

3. Implementation of Article 4.8 and 4.9 of the Convention (decision 3/CP.3 and Articles 2.3 and 3.14 of the Kyoto Protocol)

11. **Background:** By its decision 5/CP.4,[2] the Conference of the Parties adopted the programme of work set out in the annex to that decision. According to this programme of work, the COP, at its sixth session, is to identify any additional actions needed to address the implementation of Article 4.8 and 4.9 of the Convention, as well as Articles 2.3 and 3.14 of the Kyoto Protocol. The SBI considered this matter jointly with the SBSTA at its twelfth session, and noted the progress made on addressing the implementation of Article 4.8 and 4.9 of the Convention. The subsidiary bodies invited their chairmen, with the assistance of the secretariat, to develop a text on these issues, on the basis of the consolidated text and other inputs from Parties, as well as comments made in the course of the discussions, to serve as a basis for negotiation at the thirteenth sessions of the subsidiary bodies (FCCC/SBI/2000/5, para. 13).

12. **Action:** The chairmen of the subsidiary bodies will, at part I of this session, report on the informal consultations held in Bonn from 23 to 25 August 2000, and on the informal meetings held during the week preceding part I of this session, on the implementation of Article 4.8 and 4.9 of the Convention.

13. The subsidiary bodies will, at part I of the session, have before them document FCCC/SB/2000/5 containing a consolidated text and other inputs from Parties. The subsidiary bodies may wish to consider this document, along with any other text prepared by the chairmen of the subsidiary bodies on the basis of the inputs provided and comments made by Parties which would serve as a basis for negotiation at the thirteenth sessions of the subsidiary bodies. Also, in accordance with decision 12/CP.5,[3] they may wish to discuss the implementation of the examples of initial actions listed in paragraph 4 (a)-(e) of that decision,

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[2] For the full texts of decisions adopted by the Conference of the Parties at its fourth session, see document FCCC/CP/1998/16/Add.1.

[3] For the full texts of decisions adopted by the Conference of the Parties at its fifth session, see document FCCC/CP/1999/6/Add.1.

and they may also wish to discuss the process of implementation of Article 4.8 and 4.9 of the Convention as provided for in the same decision.

4. Matters relating to Article 3.14 of the Kyoto Protocol

14. **Background:** In accordance with Article 3.14 of the Kyoto Protocol, the first session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (COP/MOP 1) shall consider actions to implement the provisions of Article 3.14. The COP, at its fifth session, having considered this matter along with the implementation of Article 4.8 and 4.9 of the Convention (decision 3/CP.3 and Articles 2.3 and 3.14 of the Kyoto Protocol), decided to consider further, at its sixth session, matters related to Article 3.14 as an input to COP/MOP 1, taking into account its ongoing discussions on the implementation of Article 4.8 and 4.9 of the Convention (decision 12/CP.5). The SBI considered this matter jointly with the SBSTA at its twelfth session, and noted that discussion had commenced on matters related to Article 3.14 of the Kyoto Protocol (FCCC/SBI/2000/5, para. 13 (c)).

15. **Action:** The chairmen of the subsidiary bodies will, at part I of this session, report on the informal consultations held in Bonn from 23 to 25 August 2000, and on the informal meetings held during the week preceding part I of this session, on matters related to Article 3.14 of the Kyoto Protocol.

16. The subsidiary bodies, at part I of the session, will have before them document FCCC/SB/2000/5 containing a consolidated text and other inputs from Parties. The subsidiary bodies may wish to consider this document, along with any other text prepared by the chairmen of the subsidiary bodies on the basis of the inputs provided and comments made by Parties, which would serve as a basis for negotiation at the thirteenth sessions of the subsidiary bodies.

5. Procedures and mechanisms relating to compliance under the Kyoto Protocol

17. **Background:** By its decision 15/CP.5, the Conference of the Parties decided that the Joint Working Group on Compliance (JWG) should aim to complete its work so as to enable the Conference of the Parties to adopt a decision on compliance under the Kyoto Protocol at its sixth session.

18. The JWG, at its meetings during the twelfth sessions of the subsidiary bodies, developed a text on compliance (FCCC/SBI/2000/5, annex III). It requested the co-chairmen, with the assistance of the secretariat, to further develop the text to serve as the basis for negotiation, along with inputs from Parties, at the thirteenth sessions of the subsidiary bodies.

19. **Action:** The chairmen of the subsidiary bodies will, at part I of this session, report on the informal consultations held in Iceland from 18 to 20 July 2000, and on the informal meetings held during the week preceding part I of this session, on matters related to compliance.

20. The JWG, at part I of the session, will have before it document FCCC/SB/2000/7 containing a text that would serve as the basis for negotiation prepared by the co-chairmen of the JWG. The JWG may wish to consider this text bearing in mind that it must intensify its efforts to fulfil its mandate. The subsidiary bodies may also wish to address relevant issues that are cross-cutting with other provisions of the Kyoto Protocol.

6. Activities implemented jointly under the pilot phase

21. **Background:** The COP, at its first session (decision 5/CP.1), requested the subsidiary bodies to prepare, with the assistance of the secretariat, an annual synthesis report on activities implemented jointly (AIJ) under the pilot phase for consideration by the Conference of the Parties (FCCC/CP/1995/7/Add.1).

22. By its decision 13/CP.5, the COP encouraged Parties involved in activities implemented jointly under the pilot phase to submit, by 30 June 2000, further information on such activities, using the uniform reporting format, for consideration in the fourth synthesis report. This report is contained in document FCCC/SB/2000/6. All reports on AIJ project activities considered in the synthesis report are available on the UNFCCC web site.[4]

23. By the same decision, the COP invited Parties to provide proposals for the improvement of the draft revised uniform reporting format contained in FCCC/SB/1999/5/Add.1, by 31 March 2000. Based on the six submissions received, the secretariat has prepared a further draft revision of the uniform reporting format and draft guidance for its use (FCCC/SB/2000/6/Add.1).

24. **Action:** The subsidiary bodies, at part I of the session, may wish to consider the fourth synthesis report on activities implemented jointly under the pilot phase and the draft revised uniform reporting format. They may also wish to recommend that the COP, at its sixth session, take note of the fourth synthesis report and consider and possibly adopt the revised uniform reporting format.

7. Mechanisms pursuant to Articles 6, 12 and 17 of the Kyoto Protocol

25. **Background:** The subsidiary bodies, at their twelfth sessions, recalling decision 14/CP.5, agreed to forward to the thirteenth sessions of the subsidiary bodies the note by the chairmen of the subsidiary bodies contained in document FCCC/SB/2000/4, entitled "Consolidated text on principles, modalities, rules and guidelines", as a basis for further negotiations on mechanisms pursuant to Articles 6, 12 and 17 of the Kyoto Protocol, with priority given to the clean development mechanism (CDM) and with a view to the Conference of the Parties taking decisions on all the mechanisms under Articles 6, 12 and 17 of the Kyoto Protocol at its sixth session, including, where appropriate, recommendations to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its first session (FCCC/SBI/2000/5, para. 21 (c)).

26. At the same sessions, the subsidiary bodies urged Parties, if they wished to make additional submissions, to do so in succinct, legal language and directly related to the text in document FCCC/SB/2000/4, by 1 August 2000, to be reflected in a miscellaneous document to be issued before the thirteenth sessions of the subsidiary bodies (FCCC/SBI/2000/5, para. 21 (d)). These additional submissions are contained in document FCCC/SB/2000/MISC.4. Submissions received after 1 August 2000, if any, will be made available at the thirteenth sessions by way of an addendum to that document.

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[4] http://www.unfccc.de/program/aij/index.html.

27. **Action:** The chairmen of the subsidiary bodies will, during part I of this session, report on the informal consultations on mechanisms held in Bonn from 21 to 22 August 2000, and on the informal meetings on mechanisms held during the week preceding part I of this session.

28. The subsidiary bodies may wish to consider, at their joint sessions, the note by the chairmen contained in document FCCC/SB/2000/4, as well as the submissions by Parties in document FCCC/SB/2000/MISC.4 and any addendum to it. The subsidiary bodies may wish to further consolidate the text. Special consideration may be given to issues such as the rules of procedure of the executive board of the clean development mechanism, accreditation standards for operational entities and the UNFCCC clean development mechanism reference manual. The subsidiary bodies may also wish to address relevant issues that are cross-cutting with other provisions of the Kyoto Protocol.

8. Capacity-building

(a) Capacity-building in developing countries (non-Annex I Parties)

29. **Background:** In accordance with decision 10/CP.5, the secretariat has developed elements of a draft framework for capacity-building activities in developing countries for consideration by the subsidiary bodies at their thirteenth sessions (FCCC/SB/2000/8). This document is based on consultations with Parties at the twelfth sessions of the subsidiary bodies, inputs provided by Parties and relevant intergovernmental organizations (FCCC/SB/2000/INF.1 and Add.1, FCCC/SB/2000/INF.3, FCCC/SB/2000/INF.4, FCCC/SB/2000/INF.6, FCCC/SB/2000/INF.8 and Add.1 and FCCC/SB/2000/INF.9), and elements related to capacity-building emerging from discussions of other issues under the Convention and its Kyoto Protocol.

30. **Action:** The chairmen of the subsidiary bodies will, at part I of this session, report on the informal meetings on capacity-building in developing countries held during the preceding week. The subsidiary bodies, at both parts of the session, may wish to consider the elements of a draft framework and recommend a draft decision on capacity-building in developing countries for adoption by COP 6.

(b) Capacity-building in countries with economies in transition

31. **Background:** In accordance with decision 11/CP.5, the secretariat has developed elements of a draft framework for capacity-building activities in countries with economies in transition for consideration by the subsidiary bodies at their thirteenth sessions (FCCC/SB/2000/9). This document is based on consultations with Parties at the twelfth sessions of the subsidiary bodies, inputs provided by Parties and intergovernmental organizations (FCCC/SB/2000/INF.2, FCCC/SB/2000/INF.4, FCCC/SB/2000/INF.7, FCCC/SB/2000/INF.8 and Add.1 and FCCC/SB/2000/INF.9), and elements related to capacity-building emerging from discussions of other issues under the Convention and its Kyoto Protocol.

32. **Action:** The chairmen of the subsidiary bodies will, at part I of this session, report on the informal meetings on capacity-building in countries with economies in transition held during the preceding week. The subsidiary bodies, at both parts of the session, may wish to consider the

elements of a draft framework and recommend a draft decision on capacity-building in countries with economies in transition for adoption by COP 6.

9. National communications from Parties included in Annex I to the Convention: greenhouse gas inventory data from 1990 to 1998

33. **Background:** In accordance with decisions 9/CP.2[5] and 3/CP.5 of the Conference of the Parties, national inventory data on emissions by sources and removals by sinks are to be submitted by Annex I Parties by 15 April of each year. The COP, by its decision 6/CP.3, requested the secretariat to collect, process and publish, on a regular basis, national greenhouse gas (GHG) inventories submitted annually by Annex I Parties in accordance with decision 9/CP.2. By its decision 6/CP.5, the Conference of the Parties requested the secretariat to prepare documentation in support of the technical review of GHG inventories outlined in that decision.

34. The secretariat has prepared a compilation of the latest available annual inventory data submitted by Annex I Parties (FCCC/SBI/2000/11). This document has a dual purpose: it is also the traditional annual set of national GHG inventories submitted so far by Annex I Parties and the compilation of inventory data constituting part of the synthesis and assessment report requested by the COP in the context of its decision 6/CP.5 on the technical review of GHG inventories.

35. The document's structure resembles that of previous sets of inventory data, with the inclusion of some additional data where possible (e.g. on land-use change and forestry). As the inventory submission format adopted at COP 5 (common reporting format) has been used by Parties for the first time this year, a number of Parties have submitted information later than requested or not in full. This fact, as well as the limited time available since the receipt of the submissions, has prevented the secretariat from completing the additional elements requested in decision 6/CP.5. With the receipt of further information from Parties and additional time, in 2001, the secretariat will be in a position to provide further information in the context of the technical review of GHG inventories during the trial period.

36. A regular progress report on the in-depth reviews of second national communications will be made available at the resumed thirteenth session of the SBI.

37. **Action:** The SBI, at part I of the session, may wish to take note of the latest inventory data available for 1990-1998 from Annex I Parties as contained in document FCCC/SBI/2000/11 and provide guidance to the secretariat on the scope and presentation of GHG inventory data submitted in the common reporting format.

10. National communications from Parties not included in Annex I to the Convention

(a) Provision of financial and technical support

38. **Background:** By its decisions 10/CP.2 and 12/CP.4, the Conference of the Parties requested the secretariat to facilitate assistance to Parties not included in Annex I to the Convention in the preparation of their initial national communications, and to provide a report to

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[5] For the full texts of decisions adopted by the Conference of the Parties at its second session, see document FCCC/CP/1996/15/Add.1.

the subsidiary bodies at each of their sessions. A report covering this request is contained in document FCCC/SBI/2000/INF.7. The table on "Status of the preparation of national communications by Parties not included in Annex I to the Convention" will be posted on the UNFCCC web site.

39. Decision 12/CP.4 further requested the secretariat to compile and make available to the Parties a list of projects submitted by non-Annex I Parties in accordance with Article 12.4 of the Convention. As of this year, the list of projects will be posted on the UNFCCC web site and will be updated on a regular basis.

40. Decision 10/CP.2 also requested the secretariat to submit to the SBI, at each of its sessions, details of the financial support made available by the Global Environment Facility (GEF) to Parties not included in Annex I to the Convention for the preparation of their initial national communications. A report covering this request will be made available for the consideration of the SBI at part II of its thirteenth session.

41. **Actions:** The SBI, at part I of the session, may wish to take note of the information contained in document FCCC/2000/SBI/INF.7 and the list of projects mentioned above and provide any guidance it deems necessary to the secretariat.

42. The SBI, at part II of the session, may further wish to take note of the report on the financial assistance of the GEF to Parties not included in Annex I to the Convention for the preparation of their initial national communications.

(b) Report of the second meeting of the Consultative Group of Experts

43. **Background:** By its decision 8/CP.5, the Conference of the Parties decided to establish a Consultative Group of Experts on National Communications from Parties Not Included in Annex I to the Convention (CGE) with the objective of improving national communications from non-Annex I Parties. According to the terms of reference of the CGE, which are annexed to decision 8/CP.5, the group shall meet twice in the year 2000, each time immediately prior to the meetings of the subsidiary bodies. The first of such meetings took place during the week of informal meetings preceding the twelfth session of the SBI. The second meeting will take place in The Hague from 9 to 10 November 2000. The report of the first meeting of the CGE will be made available at the resumed thirteenth session of the SBI.

44. According to the same terms of reference, there will be one workshop each year in each of the regions (Africa, Asia, and Latin America and the Caribbean) to consider both regional and subregional experience. The first such workshop (Latin America and the Caribbean region) was held in Mexico City from 8 to 12 May 2000. The second workshop (African region) will be held in Nairobi, Kenya from 14 to 18 August, and the third workshop (Asian region) will be held from 11 to 13 October in a place to be decided. The report of the first workshop was considered by the CGE at its first meeting. The reports of the last two workshops will be made available for consideration by the CGE at its second meeting.

45. The SBI, at its twelfth session, decided to continue its consideration of this sub-item at its resumed thirteenth session, by requesting the Chairman of the CGE to present an updated report on the work of the group (FCCC/SBI/2000/5, para. 28 (d)).

46. **Action:** The SBI, at part II of the session, may wish to take note of the oral report on the second meeting of the CGE, which will include information on the regional workshops for the African and Asian regions, and provide further guidance to the group as it deems necessary.

(c) Second compilation and synthesis of initial national communications from Parties not included in Annex I to the Convention

47. **Background:** The COP, by its decision 7/CP.5, requested the secretariat to prepare the second compilation and synthesis of initial national communications from non-Annex I Parties, based on communications received from Parties by 1 June 2000, and to make that report available to the subsidiary bodies at their thirteenth sessions, and to the Conference of the Parties at its sixth session. It also requested the secretariat to report on the problems encountered in the use of the guidelines for the preparation of initial national communications by non-Annex I Parties, and on other issues raised by non-Annex I Parties, with a view to further enhancing the comparability and focus of the communications. An executive summary and a full report of the second compilation and synthesis of initial national communications will be made available at the resumed thirteenth session of the SBI.

48. **Action:** The SBI, at part II of the session, may wish to consider the executive summary and the full report of the compilation and synthesis of 27 initial national communications by non-Annex I Parties and to forward conclusions and/or recommendations to COP 6.

11. Financial mechanism

(a) Support to the Intergovernmental Panel on Climate Change

49. **Background:** By its decision 19/CP.5, the Conference of the Parties noted with concern the urgent appeal for additional resources by the Chairman of the Intergovernmental Panel on Climate Change (IPCC). It urged Parties, and organizations in a position to do so, to contribute financial support to the work of the IPCC to enable it to complete its third assessment report and special reports, in view of their importance to advancing the Convention process.

50. The SBI, at its twelfth session, took note of the statement by the Chairman of the IPCC about the status of a project on "Assessment of Impacts of, and Adaptation to, Climate Change in Multiple Regions and Sectors in Coordination with the IPCC". It also noted the importance of the project's objectives, namely, to develop national and regional capacity to undertake assessments of climate change impacts and adaptation response options, and to improve the level of participation of developing country experts in the IPCC assessments of climate change. The SBI requested the Chairman of the IPCC, in consultation with the GEF Secretariat, to report on the further development of the project at its thirteenth and fourteenth sessions (FCCC/SBI/2000/5, para. 39).

51. **Action:** The secretariat, during part I of the session, will read out a statement from the Chairman of the IPCC reporting on the progress made so far on the project submitted for GEF funding. The SBI may wish to consider this statement and make recommendations to the Conference of the Parties at its sixth session on guidance to the GEF.

(b) Report of the Global Environment Facility to the Conference of the Parties

52. **Background:** The Memorandum of Understanding between the COP and the Council of the GEF, annexed to decision 12/CP.2, provides, inter alia, that the GEF will make available annual reports which should include specific information on how it has applied the guidance and decisions of the COP in its work related to the Convention. In addition, the SBI at its twelfth session requested the GEF council to forward the report on the review of its enabling activities for consideration by the Conference of the Parties at its sixth session. The report of the GEF to the COP will be made available for the SBI at the part II of the session.

53. **Action:** The SBI, at part II of the session, may wish to take note of this report and make relevant conclusions on the financial mechanism for consideration by the COP at its sixth session.

(c) Other matters

54. **Action:** The SBI, at part I of the session, may wish to consider other matters pertaining to the Financial Mechanism that may be put forward by Parties, or outcomes of other agenda items, in order to prepare relevant conclusions and/or draft decisions on possible additional guidance to the GEF for the consideration of the Conference of the Parties at its sixth session.

12. Venue of the seventh session of the Conference of the Parties

55. **Background:** The SBI, at its twelfth session, welcomed the generous offer by Morocco to host the seventh session of the COP and requested the secretariat to review the facilities and report to the SBI at its thirteenth session, with a view to the SBI agreeing on the text of a draft COP decision at the first part of that session (FCCC/SBI/2000/5, para. 43 (g)). Following the calendar of meetings adopted at COP 5 (FCCC/CP/1999/6/Add.1, section II.1), COP 7 will take place from 29 October to 9 November 2001.

56. **Action:** The report of the secretariat and the initial draft decision are contained in document FCCC/SBI/2000/7. The SBI, at part I of the session, may wish to take note of the report and agree upon the draft decision for submission to COP 6.

13. Administrative and financial matters

(a) Possible options to respond to late payment of contributions

57. **Background:** The SBI, at its twelfth session, having considered the report by the Executive Secretary on response options to the late payment of contributions, decided to transmit an initial draft decision for consideration at its thirteenth session, with a view to recommending a draft decision for adoption by COP 6.

58. **Action:** The SBI will have before it a draft decision on this subject (FCCC/SBI/2000/5, annex I). The SBI, at part I of the session, may wish to consider and finalize it for recommendation to the COP for adoption.

(b) Audited Financial Reports 1998-1999

59. **Background:** The financial procedures of the Convention (FCCC/CP/1995/7/Add.1, decision 15/CP.1) require that a final audited statement of accounts for the full financial period shall be provided to the Conference of the Parties as soon as possible after the accounts for the financial period are closed. The audited financial statements for the biennium 1998-1999 as well as the report of the United Nations Board of Auditors on the financial statements are contained in document FCCC/SBI/2000/9.

(c) Interim financial performance for 2000

60. **Background:** Income and expenditure as well as programme delivery during the first half of 2000 are reported in document FCCC/SBI/2000/8. This document includes an update on personnel matters and administrative arrangements

61. Information on the latest status (as at 15 May 2000) of contributions by Parties to the core budget, the Trust Fund for Participation in the UNFCCC Process and the Trust Fund for Supplementary Activities of the UNFCCC is contained in document FCCC/SBI/2000/INF.12.

62. **Action:** The SBI, at part I of the session, may wish to take note of these reports and include relevant decisions in the omnibus draft decision to be adopted at COP 6. It may also wish to express its appreciation to the Parties that have made timely contributions to the core budget, and especially to those that have made voluntary contributions to the other trust funds. The SBI may also wish to urge Parties that have not made their contributions to do so in a timely manner.

(d) Implementation of the Headquarters Agreement

63. **Background:** At the twelfth session of the SBI, the Executive Secretary reported on the implementation of the Headquarters Agreement, specifically with respect to office space, the difficulties faced by delegations in obtaining visas, and by the secretariat with regard to visas, residence status and work permits for family members (FCCC/SBI/2000/5, para. 48). The SBI adopted conclusions on these matters and requested the delegation of Germany and the Executive Secretary to provide information, at the first part of its thirteenth session, regarding further improvements achieved and other steps taken to address the concerns expressed above, in accordance with relevant provisions of the Headquarters Agreement.

64. **Action:** The Executive Secretary will make an oral presentation on the progress made so far. The host government is also expected to make a presentation in response to the conclusions of the SBI at its twelfth session. The SBI may wish to consider the information provided and take any action it deems necessary.

14. Other matters

65. The SBSTA may refer to SBI information on issues related to Articles 7 and 8 of the Kyoto Protocol for consideration in accordance with the agreed division of labour set out in decision 8/CP.4.

15. Report on the session

66. Separate reports on each part of the session will be prepared. Because of the time that is likely to be needed for considering all items on the agenda, a complete draft text of the report may not be available at the end of the session. The SBI may wish to adopt conclusions and authorize the Rapporteur to complete the report after the session under the guidance of the Chairman and with the assistance of the secretariat. Subject to the availability of sufficient time for their translation, conclusions will be made available in all official languages.

Annex I

DOCUMENTS BEFORE THE SUBSIDIARY BODY FOR IMPLEMENTATION AT ITS THIRTEENTH SESSION

Documents prepared for the session

FCCC/SBI/2000/5	Report of the Subsidiary Body for Implementation on its twelfth session, Bonn, 12 -16 June 2000
FCCC/SBI/2000/6	Provisional agenda and annotations. Note by the Executive Secretary
FCCC/SBI/2000/7	Venue of the seventh session of the Conference of the Parties
FCCC/SBI/2000/8	Administrative and financial matters. Financial performance, 1998-1999 and interim report for 2000. Note by the Executive Secretary
FCCC/SBI/2000/9	Administrative and financial matters. Audited financial statement for the biennium 1998-1999 and report of the Board of Auditors. Note by the Executive Secretary
FCCC/SBI/2000/11	National communications from Parties included in Annex I to the Convention. Report on national greenhouse gas inventories from Annex I Parties from 1990 to 1998
FCCC/SBI/2000/INF.7	National communications from Parties not included in Annex I to the Convention. Provision of financial and technical support. Activities to facilitate the provision of financial and technical support to non-Annex I Parties for the preparation of national communications
FCCC/SBI/2000/INF.12	Administrative and financial matters. Status of contributions
FCCC/SB/2000/4	Mechanisms pursuant to Articles 6, 12 and 17 of the Kyoto Protocol: Consolidated text on principles, modalities, rules and guidelines. Note by the Chairmen
FCCC/SB/2000/5	Implementation of Article 4.8 and 4.9 of the Convention (Decision 3/CP.3 and Articles 2.3 and 3.14 of the Kyoto Protocol. Matters relating to Article 3.14 of the Kyoto Protocol. Note by the chairmen of the subsidiary bodies
FCCC/SB/2000/6 and Add.1	Activities implemented jointly under the pilot phase: Fourth synthesis report on activities implemented jointly and draft revised uniform reporting format

FCCC/SB/2000/7	Compliance system for the Kyoto Protocol. Note by the co-chairmen of the regional group on compliance
FCCC/SB/2000/8	Capacity-building in developing countries (non-Annex I Parties)
FCCC/SB/2000/9	Capacity-building in countries with economies in transition
FCCC/SB/2000/MISC.4	Mechanisms pursuant to Articles 6, 12 and 17 of the Kyoto Protocol. Principles, modalities, rules and guidelines. Additional submissions from Parties

Other documents for the session

FCCC/SB/1999/5/Add.1	Activities implemented jointly under the pilot phase. Issues to be addressed in the review of the pilot phase, including the third synthesis report on activities implemented jointly. Note by the secretariat. Addendum
FCCC/SB/2000/INF.1 and Add.1	Capacity-building. Capacity-building in developing countries (non-Annex I Parties). Compilation and synthesis of information on capacity-building needs and priorities of developing countries (non-Annex I Parties)
FCCC/SB/2000/INF.2	Capacity-building. Capacity-building in countries with economies in transition. Compilation and synthesis of information on capacity-building needs and priorities of Parties included in Annex I to the convention but not included in Annex II
FCCC/SB/2000/INF.3	Capacity-building. Capacity-building in developing countries (non-Annex I Parties). Compilation and synthesis of information from Annex II Parties and relevant intergovernmental organizations on their capacity-building activities and programmes
FCCC/SB/2000/INF.4	Capacity-building. Report on the progress in the review by the Global Environment Facility of its enabling activities, its capacity-building activities in its normal work programme, its Country Dialogue Workshops and its Capacity Development Initiative
FCCC/SB/2000/INF.6	Capacity-building. Submissions from Parties not included in Annex I to the Convention
FCCC/SB/2000/INF.7	Capacity-building. Submissions from Parties included in Annex I but not included in Annex II to the Convention
FCCC/SB/2000/INF.8 and Add. 1	Capacity-building. Submissions from Parties included in Annex II to the Convention

FCCC/SB/2000/INF.9	Capacity-building. Submissions from relevant intergovernmental organizations on their ongoing capacity-building activities

Documents available for reference only

FCCC/CP/1999/6	Report of the Conference of the Parties on its fifth session, held at Bonn from 25 October to 5 November 1999
FCCC/CP/1999/6/Add.1	Report of the Conference of the Parties on its fifth session, held at Bonn from 25 October to 5 November 1999. Addendum. Part Two: Action taken by the Conference of the Parties at its fifth session
FCCC/CP/1998/16/Add.1	Report of the Conference of the Parties on its fourth session, held at Buenos Aires from 2 to 14 November 1998. Addendum. Part Two: Action taken by the Conference of the Parties at its fourth session
FCCC/CP/1997/7/Add.1	Report of the Conference of the Parties on its third session, held at Kyoto from 1 to 11 December 1997. Addendum. Part Two: Action taken by the Conference of the Parties at its third session
FCCC/CP/1996/15/Add.1	Report of the Conference of the Parties on its second session, held at Geneva from 8 to 19 July 1996. Addendum. Part Two: Action taken by the Conference of the Parties at its second session
FCCC/CP/1995/7/Add.1	Report of the Conference of the Parties on its first session, held at Berlin from 28 March to 7 April 1995. Addendum. Part Two: Action taken by the Conference of the Parties at its first session
FCCC/SBI/1999/14	Report of the Subsidiary Body for Implementation on its eleventh session, Bonn, 25 October - 5 November 1999

Annex II

PROPOSED SCHEDULE OF WORK FOR PART I OF THE THIRTEENTH SESSIONS OF THE SUBSIDIARY BODIES

	Monday 11 September	Tuesday 12 September	Wednesday 13 September	Thursday 14 September	Friday 15 September
10 a.m. to 1 p.m.	10 a.m. Welcoming ceremony 11 a.m. SBI Items 1, 2, 9, 10, 11 and 14 SBSTA Items 1, 2, 9 (a), 9 (b), 10 and 11	SBSTA *(continued)* INFORMALS	INFORMALS	INFORMALS	JOINT MEETING (SBSTA/SBI) SBSTA items 3, 4, 5, 6, 7 and 8 (a), 8 (b) SBI items 3, 4, 5, 6, 7 and 8 (a), 8 (b) *(possibly until 2 p.m.)*
3 p.m. to 6 p.m.	JOINT MEETING (SBSTA/SBI) SBSTA items 3, 4, 5, 6, 7 and 8 (a), 8 (b) SBI items 3, 4, 5, 6, 7 and 8 (a), 8 (b)	INFORMALS	INFORMALS	SBSTA items 9 (c), 12 and 13 SBI 9, 10, 11 and 14	SBSTA items 9 (a), 9 (b), 10, 11 and 14 SBI items 12, 13 and 15
7 p.m. to 10 p.m.	JOINT MEETING (SBSTA/SBI) *(continued)* SBSTA items 9 (c), 9 (d), 12, 13 SBI items 12 and 13 *(following joint meeting)*	INFORMALS	INFORMALS	INFORMALS	

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UNITED
NATIONS

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on Climate Change

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FCCC/SBI/2000/7
9 August 2000

ORIGINAL: ENGLISH

SUBSIDIARY BODY FOR IMPLEMENTATION
Thirteenth session
Lyon, 4-15 September, 2000
Item 12 of the provisional agenda

VENUE OF THE SEVENTH SESSION OF THE CONFERENCE OF THE PARTIES

Note by the secretariat

I. INTRODUCTION

A. Mandate

1. Rule 3 of the draft rules of procedure being applied states that the "sessions of the Conference of the Parties shall take place at the seat of the secretariat, unless the Conference of the Parties decides otherwise or other appropriate arrangements are made by the secretariat in consultation with the Parties" (FCCC/CP/1996/2).

2. The hosting of a session of the Conference of the Parties (COP) away from the Convention headquarters traditionally confers the presidency upon the host government. In the context of the rotation of the presidency among the five regional groups, the first cycle was completed at COP 5, and a new cycle has begun with the hosting of COP 6 by the Netherlands. In accordance with the principle of rotation, the next session of the COP could be held in Africa.

B. Scope of the note

3. In conformity with the calendar of meetings adopted at COP 5 (FCCC/CP/1999/6/Add.1, section II), the seventh session of the Conference of the Parties will take place from 29 October to 9 November 2001.

4. At the twelfth session of the Subsidiary Body for Implementation, the Government of the Kingdom of Morocco made a generous offer to host the seventh session of the Conference of the Parties. The SBI welcomed that offer and requested the secretariat to review the facilities and

report to SBI at its thirteenth session, with a view to the SBI agreeing on the text of a draft COP decision at the first part of that session (FCCC/SBI/2000/5, para. 43 (g)).

C. Possible action by the Subsidiary Body for Implementation

5. The SBI may wish:

(a) To take note of the present report;

(b) To agree upon the text of a draft decision for submission to COP 6.

II. REVIEW OF THE FACILITIES FOR COP 7

6. In accordance with the above-mentioned request made by the SBI at its twelfth session, the secretariat conducted a technical mission to Morocco. The representative of the secretariat met with officials in Rabat and Casablanca and visited the proposed conference venue in Marrakech.

7. The Government of Morocco confirmed its interest in hosting COP 7 and in receiving representatives of all the Parties to the Convention. His Majesty King Mohammed VI has graciously extended his royal patronage to the Conference. The offer of Morocco to host the Conference is intended as a demonstration of its commitment to the ongoing process of the Convention. Morocco regards this opportunity for a session of the Conference to be held in Africa for the first time as a chance to diversify and extend involvement in the process. Moroccan officials confirmed their intention to facilitate the entry into Morocco of representatives of all Parties, observer States and observer organizations to the Convention attending the session. The Kingdom of Morocco will take appropriate measures to ensure the security and safety of all participants. Government officials confirmed that the proposed venue of the session is the "Palais des Congrès de Marrakech" in the city of Marrakech.

8. Marrakech has an international airport with direct connections to most major airports. It is also within easy reach of Casablanca and Rabat by air or road. The city has a sufficient number of hotels in all categories. The representative of the secretariat was given adequate opportunity and assistance to review the facilities for holding meetings at the Palais des Congrès, and for receiving and accommodating participants in the city of Marrakech.

9. The secretariat was thus able to ascertain that the conference centre is well equipped and has adequate facilities in terms of meeting rooms; registration, documentation and consultation areas; space and facilities for the press; exhibition areas etc., to accommodate the expected number of participants. Technical facilities for interpretation, telecommunication and Internet access are either available or would be upgraded to meet the requirements of the negotiation process.

10. The city of Marrakech is a major centre for tourism and conferences, and a number of large intergovernmental and non-governmental meetings have previously been held there successfully. The local authorities are well versed in hosting international conferences and the

secretariat was assured of the necessary support from the prefecture of Marrakech. The secretariat review confirms that the facilities are suitable for the seventh session of the Conference of the Parties to be held in Marrakech.

Draft decision -/CP.6

DATE AND VENUE OF THE SEVENTH SESSION OF THE CONFERENCE OF THE PARTIES

The Conference of the Parties,

Recalling Article 7.4 of the United Nations Framework Convention on Climate Change,

Recalling General Assembly resolution 40/243 of 18 December 1985 on the pattern of conferences,

Having received an offer from the Kingdom of Morocco to host the seventh session of the Conference of the Parties in Marrakech and to cover the related costs,

1. *Accepts with gratitude* the generous offer of the Kingdom of Morocco to host the seventh session of the Conference of the Parties;

2. *Decides* that the seventh session of the Conference of the Parties shall be held in Marrakech, Morocco, from 29 October to 9 November 2001;

3. *Requests* the Executive Secretary to conclude a host country agreement with the Government of Morocco on arrangements for the seventh session of the Conference of the Parties.

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UNITED
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ADMINISTRATIVE AND FINANCIAL MATTERS

Income and budget performance in the biennium 2000-2001: interim report as at 30 June 2000

Arrangements for administrative support to the Convention

Note by the Executive Secretary

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I. INTRODUCTION

A. Mandate

1. Rule 10 (e) of the draft rules of procedure being applied (FCCC/CP/1996/2) stipulates that the provisional agenda for each ordinary session of the Conference of the Parties (COP) shall include, as appropriate, the proposed budget as well as all questions pertaining to the accounts and financial arrangements.

2. By its decision 20/CP.5, the COP approved the budget for the biennium 2000-2001 and requested the Executive Secretary to report to it at its sixth session on income and budget performance, and propose any adjustments that might be needed in the Convention's budget for the biennium 2000-2001 (FCCC/CP/1999/6/Add.1).

3. It is the practice of the Subsidiary Body for Implementation (SBI) to prepare action for the Conference of the Parties on these matters.

B. Scope of the note

4. This document responds to the requests noted above, as follows:

(a) Section II contains information on financial performance during the first six months of the biennium 2000-2001 (as of 30 June 2000) for all four of the trust funds administered by the secretariat, namely the Trust Fund for the Core Budget of UNFCCC, the Trust Fund for Participation in the UNFCCC Process, the Trust Fund for Supplementary Activities and the Trust Fund for the Special Annual Contribution from the Government of Germany (Bonn Fund);

(b) Section III provides information on personnel matters, including some statistics on approved posts and filled posts, as well as on the hiring of consultants;

(c) A brief update on the progress made regarding the administrative arrangements of the Convention is provided in section IV.

5. This document should be read in conjunction with other documents relating to administrative and financial matters prepared by the secretariat for this session, namely:

(a) Audited financial statements for the biennium 1998-1999, including the report of the United Nations Board of Auditors (FCCC/SBI/2000/9);

(b) Status of contributions as at 31 August 2000 (FCCC/SBI/2000/INF.12).

C. Possible action by the SBI

6. The SBI may wish to take note of the information presented and decide on appropriate actions it may deem necessary to be included in an omnibus decision on administrative and financial matters to be adopted by COP 6.

II. INCOME AND EXPENDITURE REPORT FOR THE FIRST HALF OF THE BIENNIUM 2000-2001

A. Trust Fund for the Core Budget of UNFCCC

1. Budget

7. The Conference of the Parties at its fifth session approved a total budget of $13,196,400 for 2000, as shown in table 1 below (decision 20/CP.5).[1]

Table 1. Summary of approved budget in 2000
*(United States dollars)**

Approved budget	
Direct expenditures	11 577 700
Overhead charge paid to United Nations	1 505 100
Increase in working capital reserve	113 600
Total approved budget	**13 196 400**

* Rounded off to the nearest hundred.

8. In addition to the budget shown in table 1, the COP approved additional expenditures of $1,000,000 to cover activities leading to COP 6, and an additional contribution to the International Panel on Climate Change (IPCC) of $150,000 (or 169,500 including administrative costs) to be drawn from the carry-overs. This would bring the total approved expenditures in 2000 to $14,366,000 (decision 20/CP.5, paragraphs 6, 14 and 15, FCCC/CP/1999/6/Add.1)

2. Income

9. The approved budget and the additional expenditures are expected to be funded from three sources as shown below:

Table 2. Expected income in 2000
(United States dollars)

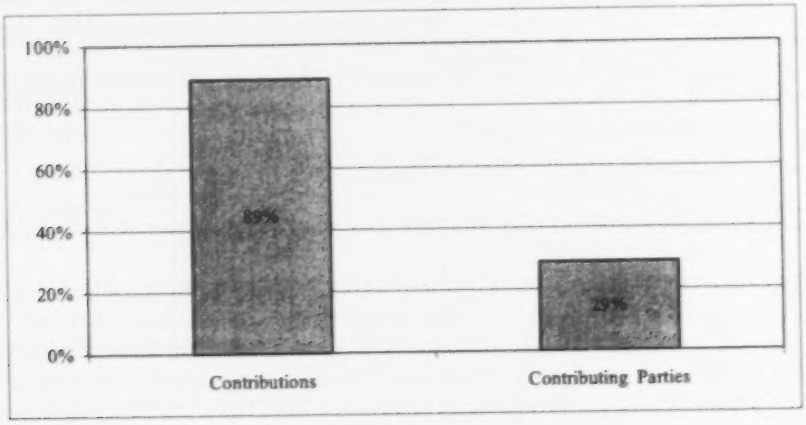
Contribution from the host Government**	810 800
Unspent balance of contributions from previous financial periods (carry-over)	2 368 000
Indicative contributions from all Parties	11 187 200
Total expected income	**14 366 000**

** US$ 810,800 was calculated at the rate of US$ 1 = DM 1.85002, prevailing at the time of the budget preparation.

[1] FCCC/CP/1999/6/Add.1.

10. Of the $11,187,200 indicative contributions to the core budget for the year 2000, $9,919,487 (89 per cent) had been received as at 30 June 2000. This constitutes a considerable improvement over previous years' experience. The number of Parties that have paid their 2000 contributions stands at 57, or 29 per cent of the Parties to the Convention. All of the 10 top contributors had paid their 2000 contribution by 30 June 2000, while those of eight out of the top 20 are still outstanding.[2] An update on the status of contributions as at 31 August 2000 can be found in document FCCC/SBI/2000/INF.12.

Chart 1. Percentage of contributions received and contributors to the core budget as at 30 June 2000

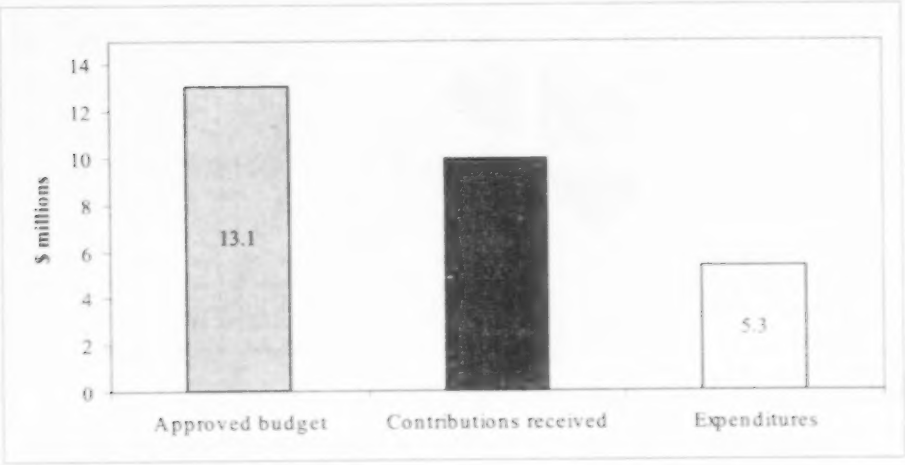


3. Expenditures

11. Expenditures as at 30 June 2000 amounted to $5,328,205, which represents 41 per cent of the approved budget or 54 per cent of the contributions received ($9,919,487). Chart 2 shows a comparison between the approved budget, the paid contributions and the actual expenditures. Tables 3 (a) and (b) and their corresponding charts show expenditures by programme and by object of expenditure respectively.

[2] Contributions by the top 10 contributors make up 79 per cent of the total indicative contributions. The percentage increases to 91 if the top 20 contributors are considered.

Chart 2. Expenditures as at 30 June 2000, in comparison to approved budget and paid contributions (millions of United States dollars)



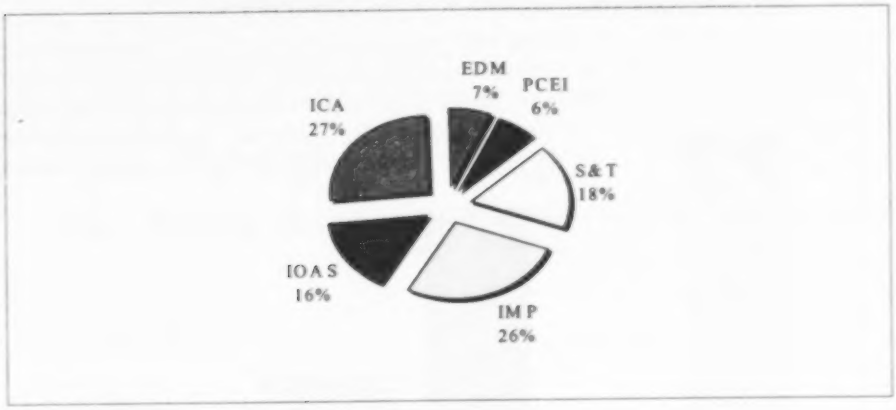
(a) Expenditures by programme

12. As can be noted from table 3 (a), expenditures have been within original appropriations for all programmes. Some programmes have spent less than their budgeted resource levels, owing largely to the fact that a number of posts were vacant (see section III, table 7 of this report).

Table 3 (a). Expenditures by programme, as at 30 June 2000
(United States dollars)

Programme	2000 approved budget	Estimated expenditures	Percentage of budget
Executive Direction and Management (EDM)	749 530	328 912	44
Planning, Coordination and Emerging Issues (PCEI)	1 232 590	305 055	25
Science and Technology (S&T)	2 170 580	831 147	38
Implementation (IMP)	3,125,910	1 243 765	40
Information, Outreach and Administrative Services (IOAS)	1 546 500	753 176	49
Intergovernmental and Conference Affairs (ICA)	2 752 600	1 252 471	46
Total direct expenditures	**11 577 710**	**4 715 226**	**41**
Programme support costs	1,505,102	612 979	
Total expenditures	**13 082 812**	**5 328 205**	**41**

Chart 3. Expenditures by programme, as at 30 June 2000



(b) Expenditures by object of expenditure

13. Table 3 (b) below indicates expenditures by object of expenditure, grouped into six items. Staff costs include salaries of staff members appointed on approved posts, salaries of short term staff, temporary assistance and overtime. Other external expertise, both from individuals and institutions, is included under consultants. Travel is divided into two parts, namely travel of experts to workshops and informal consultations and travel of staff on official missions. General operating expenses include payments to suppliers of various goods and services, while "grants and contributions" constitute payments to United Nations organizations and governmental institutions that provide logistic and administrative services to the secretariat at the headquarters in Bonn and during workshops at various locations outside Germany, as well as the annual contribution to the IPCC. All expenditures are well below the approved budget and within the ideal maximum expenditure of 50 per cent, except for general operating expenses, which include purchase of information technology equipment incurred almost for the entire budgeted amount during the first six months of the year.

Table 3 (b). Expenditures by object of expenditure, as at 30 June 2000
(United States dollars)

Object of expenditure	Budgeted amount	Estimated expenditures	Percentage
Staff costs	8 083 850	3 278 413	41
Consultants	731 000	212 040	29
Travel of experts to workshops and informal consultations	155 000	65 103	42
Travel of staff	705 260	219 306	31
General operating expenses	1 027 600	562 746	55
Grants and contributions	875 000	377 618	43
Total direct expenditures	**11 577 710**	**4 715 226**	**41**
Programme support costs	1 505 102	612 979	
Total expenditures	**13 082 812**	**5 328 205**	**41**

Chart 4. Expenditures by object of expenditure, as at 30 June 2000

1	Staff costs	70%
2	Consultants	4%
3	Travel of experts	1%
4	Travel of staff	5%
5	General operating expenses	12%
6	Grants and contributions	8%

14. Activities and events funded from the $1 million additional budget for activities leading up to COP 6 are organized as "projects". Project proposals were submitted by programme coordinators, and were screened by the project funding group which was established by the Executive Secretary and is chaired by the Deputy Executive Secretary (FCCC/SBI/1999/3, para. 19). Table 3 (c) shows the list of projects and events covered from the $1,000,000 fund.

Table 3 (c). Expenditure report on the $1,000,000 additional budget approved for activities leading to COP 6, as at 30 June 2000

(United States dollars)

Programme	Approved budget	Expenditures	Percentage of budget
Informal consultations on mechanisms (Kuala Lumpur, 20-23 March): Fifteen participants from developing countries and countries with economies in transition (EIT) were provided with financial assistance for travel and daily subsistence allowance (DSA). Project partly funded from the supplementary budget (see table 5 (b)).	83 500	68 795	82
Workshop (Bonn, 14-15 March) and informal consultations (Bonn, 5-10 June) on developing national systems, adjustments and guidelines under Articles 5, 7 and 8 of the Kyoto Protocol: under this project, over 30 participants from developing and EIT countries were funded to participate.	130 000	123 669	95
Workshop on a compliance system (Bonn, 1-3 March): under this project, 19 participants from developing and EIT countries were provided funds for travel and DSA.	78 238	70 200	90
Workshop on implementing Articles 4.8 and 4.9 (Bonn, 9-15 March): under this project, 35 participants from developing and EIT countries were provided with funds for travel and DSA.	143 000	128 700	90
Information support for preparatory process for COP 6: establishment of additional computer support services, provision of information technology equipment and support to workshops, assistance in document management and archiving.	199 500	166 693	84
Implementation of decisions 10/CP.5 and 11/CP.5 on capacity-building: coordination of the secretariat's activities on capacity-building through the activities of the capacity-building team leader. Project partly funded from the supplementary budget (see table 5 (b)).	87 718	67 617	77
Intensifying the process leading to COP 6: logistic arrangements for the preparatory process leading up to COP 6, including planning and servicing several workshops.	163 000	73 913	45
Total direct expenditures	884 956	700 343	79
Programme support costs	115 044	91 045	
Total expenditures	1 000 000	791 388	79

4. Programme delivery

15. This section provides brief highlights on the main outputs achieved by each programme during the reporting period.

(a) Executive Direction and Management programme

16. The outputs of the Executive Direction and Management programme (EDM) have been consistent with those described in the programme budget of the Convention for the biennium 2000-2001 (see FCCC/CP/1999/INF.1). The Executive Secretary has provided ongoing management and coordination of the activities of the secretariat, as well as advice to the Convention bodies and their officers. In his external relations, he has continued to promote coordination with partner organizations, in addition to representing the UNFCCC secretariat in outreach activities.

17. The Executive Secretary has increased delegation to coordinators and is promoting improved accountability at the programme level. Reviews of the management process and of the distribution of administrative responsibilities were initiated. Organizational development activities included a management retreat and support for the functioning of an internal advisory group (organizational change team). The procedure for the use of supplementary funds continued to be developed, under the responsibility of the Deputy Executive Secretary through the project funding group. With the support of the Information Services subprogramme, EDM launched a database system to record, track and follow up correspondence.

(b) Planning, Coordination and Emerging Issues programme

18. Since its establishment at the start of the biennium 2000-2001, this programme has supported the work of the twelfth sessions of the subsidiary bodies as well as the overall work leading to COP 6. Its outputs have been consistent with those described in the programme budget of the Convention.

19. The programme has supported the design and development of the mechanisms envisaged in Articles 6, 12 and 17, in particular through assisting in the preparation of draft principles, modalities, rules and guidelines, as appropriate, for each mechanism. Support has also been provided to informal consultations and workshops on this issue and through organizing a forum on the mechanisms, which was held in conjunction with the sessions. In addition, the programme has supported the implementation of activities implemented jointly (AIJ) under the pilot phase through facilitating the exchange of information on projects and the maintenance of the AIJ database, as well as through continuing work on the revision of the uniform reporting format. The programme has also participated in technical workshops and meetings in relation to both the mechanisms and AIJ.

20. The programme has also supported the work to ensure coherence in the development of cross-cutting issues and in relation to decision 8/CP.4 (FCCC/CP/1998/16/Add.1). A process for addressing these issues has been initiated and a first set of specific issues has been identified.

(c) Science and Technology programme

21. The programme supported the work of the twelfth session of the Subsidiary Body for Scientific and Technological Advice (SBSTA). During the reporting period, the programme concentrated on the development of guidelines for national systems, adjustments, reporting of

supplementary information and the review process, in accordance with Articles 5, 7 and 8 of the Kyoto Protocol, and on the consultative process on technology transfer.

22. The programme facilitated the work on the activities mentioned above through the preparation of reports, studies and draft guidelines and the organization of a workshop on national systems and methodological issues related to adjustments and Articles 7 and 8 of the Kyoto Protocol (Bonn, 14-15 March) and the organization of two regional workshops (Cebu, Philippines, 17-19 January 2000 and San Salvador, El Salvador, 29-31 March 2000) and one informal meeting (Bonn, 7-8 June) on technology transfer. At its twelfth session, the SBSTA agreed on guidelines on national systems under Article 5.1 of the Kyoto Protocol. In addition, the programme revised the procedures for nominating experts to the roster of experts and posting information on the nominees on the UNFCCC web site.

(d) Implementation programme

23. The programme supported the work of the twelfth session of the SBI, and concentrated on preparations for the technical review of the Annex I Party greenhouse gas (GHG) inventories including the development - with the support of the Information Services subprogramme - of a new database on GHG emissions.

24. The programme further supported intensified consultations on a compliance system, and on initial actions arising from the adverse effects of climate change, and the impact of the implementation of response measures (Article 4.8 and .9 of the Convention and Articles 2.3 and 3.14 of the Kyoto Protocol) by organizing three workshops. In addition, the programme facilitated the work related to "best practices" in policies and measures, including the organization of a workshop. It supported the establishment and the work of the Consultative Group of Experts on National Communications from Parties Not Included in Annex I to the Convention (CGE), and organized its first regional workshop for Latin America and Caribbean.

25. The programme participated in the secretariat's assessment of the capacity-building needs of non-Annex I countries and countries with economies in transition.

(e) Information, Outreach and Administrative Services programme

26. The programme was renamed Information, Outreach and Administrative Services (IOAS) from the former Information and Outreach Programme (IOP) as the programme took over the Financial and Administrative Management activities. The IOAS programme therefore consists of four sub-programmes: Management and Coordination, Information Services, Outreach, and Financial Management and Administration.

27. The Management and Coordination subprogramme ensured the restructuring of the newly created IOAS, and developed a strategy to provide decentralized administrative services to the secretariat.

28. The programme continued to work with observer organizations to the Convention, and arranged for the organization of special events and exhibits during the twelfth sessions of the subsidiary bodies. It maintained contact with intergovernmental organizations and other conventions to enhance their involvement in the UNFCCC process. As a result of

decisions 10/CP.5 and 11/CP.5, the Outreach subprogramme led the work of the secretariat on capacity-building.

29. In 2000, the Information Services (IS) were reorganized around three key activities (information technology, knowledge management, and communications). This streamlined operations and focused existing resources on priority projects. Among them are upgrading and standardization of information technology, development of a common database infrastructure, and enhancement of the secretariat web site and information products. In addition, the availability of new resources has permitted the secretariat to develop French language information products, in particular the preparation of a French language gateway for the web site. In June 2000, IS serviced the twelfth sessions of the subsidiary bodies.

30. The Financial Management and Administration subprogramme provided the secretariat with general administrative services, management of financial resources, personnel services and liaison activities with the United Nations and the host Government on administrative matters. The work of this subprogramme is entirely funded by the 13 per cent of programme support costs charged on expenditures.

(f) Intergovernmental and Conference Affairs programme

31. The programme was renamed Intergovernmental and Conference Affairs (ICA) from the former Conference Affairs and Resource Management (CARM). The ICA programme consists of three subprogrammes: Management and Coordination, Intergovernmental and Legal Affairs, and Conference Affairs. The services provided by this programme include those relating to organizing sessions of the Convention bodies, external relations, management of participation in the sessions, processing and editing of documents and legal services to the Convention.

32. During the reporting period, the programme organized and serviced the twelfth sessions of the subsidiary bodies and the preceding week of informal meetings, including workshops, involving almost 2,000 participants. Services included liaison with delegations, provision of conference services, processing and editing of documents and managing the accreditation and participants funding processes. It organized and supported two Bureau meetings and two high-level consultations by the President to advance preparations for COP 6. It also serviced 10 workshops and consultations in the reporting period. ICA is making arrangements for and coordinating internal planning to facilitate integrated inputs of all programmes to other meetings in 2000, which include the thirteenth sessions of the subsidiary bodies hosted by the Government of France in Lyon, the sixth session of the Conference of the Parties, one high-level consultation and additional Bureau meetings. In this context, the host country agreement with the Government of the Netherlands concerning COP 6 was completed.

B. Trust Fund for Participation in the UNFCCC Process

33. Table 4 provides detailed information on income and expenditures under the Trust Fund for Participation in the UNFCCC Process.

34. As at 30 June 2000, contributions received for this year amounted to $1,164,428, while the expenditures totalled $376,229. At least one delegate from each eligible Party was offered financial support to attend the twelfth sessions of the subsidiary bodies in June. Subject to the

availability of funds, a second participant will be financed from each of the least developed countries and small island developing States to attend the thirteenth sessions of the subsidiary bodies and COP 6, with estimated expenditures of up to $1,300,000. It is also hoped that it will be possible to finance a second delegate from other non-Annex I Parties for participation in COP 6. As shown in table 4, approximately $450,000 in additional contributions is still required to meet the estimated costs in 2000.

35. Pending a decision at COP 6 on how to respond to late contributions, the secretariat will continue applying its current policy in providing financial support to eligible Parties. To this end, those Parties which are not least developed countries or small island developing States and which would normally be eligible for financial support to participate in the meetings of the Conference of the Parties and its subsidiary bodies, but which have not yet paid their contributions for 1996 through 1998, will not be considered for funding from the Trust Fund for Participation to participate in the thirteenth sessions of the subsidiary bodies. Similarly, those which have not paid their 1999 contribution will not be provided with financial assistance for the sixth session of the COP.

Table 4. Status of the Trust Fund for Participation in the UNFCCC Process as at 30 June 2000
(United States dollars)

Income	
Carry-forward 1998-1999	477 481
Contributions received in 2000	1 115 146
Interest and miscellaneous income	23 119
Working capital reserve (10 per cent of 1999 expenditure)	(169 920)
Total income (as of 30 June 2000)	**1 445 826**
Expenditures as at 30 June	
Travel of 92 participants to SB 12 (12-16 June 2000)	376 229
Requirements until 31 December 2000	
Travel of participants to SB 13 (11-15 September 2000)	500 000
Travel of participants to COP 6 (13-24 November 2000)	800 000
Expected direct expenditures in 2000	1676 229
Programme support costs	217 910
Total expenditures	1 894 139
Balance/deficit	**(448 313)**

C. Trust Fund for Supplementary Activities

36. Table 5 (a) provides information on income and estimated expenditures under the Trust Fund for Supplementary Activities. The substantial carry-over balance is the result of four factors: a) an unspent balance of funds originally committed for projects in 1999; (b) earmarked contributions received in 1999 for activities that incurred expenditures in 2000; (c) funds that have been received, but are awaiting instructions from the contributor to identify the activity for which they should be used and (d) a working capital reserve of 15 per cent.

37. The secretariat continues to undertake additional fund-raising activities for supplementary activities, especially for workshops and events based on approved projects. Receipts for this trust fund by 30 June 2000 amounted to $2,631,808. Total costs of approved projects for 2000 amount to $2,244,108.

38. Discussions are under way to determine the use of the uncommitted balance of $2,451,396. For example, the United States will soon advise the secretariat on the activities that should be given priority using contributions paid in 2000. Meanwhile the secretariat is awaiting confirmation from Japan on the use of its contribution of $450,000 to the Supplementary Fund. Finalization by the United Nations Institute for Training and Research and the United Nations Fund for International Partnerships of a project document on capacity-building assessment is awaited before committing Canada's contribution of $103,306 which has been earmarked for this purpose.

Table 5 (a). Status of the Trust Fund for Supplementary Activities as at 30 June 2000
(United States dollars)

INCOME	
Carry-forward 1998-1999	2 245 666
Contributions received in 2000	2 631 808
Interest and miscellaneous income	8 003
Working capital reserve (15 per cent of 1999 expenditure)	(189 973)
Total income (as of 30 June 2000)	**4 695 504**
Approved projects	**1 985 936**
Programme support costs	258 172
Total commitments	**2 244 108**
Balance	**2 451 396**

39. Table 5 (b) provides a list of the projects and events funded from the Trust Fund for Supplementary Activities in the year 2000. All the projects were screened by the project funding group referred to in paragraph 14 of this document. Most of the projects are related to those activities leading to COP 6 as decided by the COP at its fifth session (decision 20/CP.5).

Table 5 (b). Projects and events funded from the Trust Fund for Supplementary Activities in the year 2000
(United States dollars)

Project	2000 commitments
Improving management of supplementary funds: the objective of this project is to provide the Executive Secretary with professional support in fund management and external relations. A P-2 programme support officer was funded under this project from January to March 2000. The project has been completed.	17 500
Activities of the non-Annex I subprogramme: one secretarial post is funded under this project to ensure the efficient and effective execution and operation of the non-Annex I subprogramme so as to address the needs of the non-Annex I Parties in a timely manner. This project started in 1998.	38 404
Assistance to the consultative process related to transfer of technology: In 2000 two regional workshops (Cebu, Philippines 17-19 January and San Salvador, El Salvador, 29-31 March) and one informal meeting (Bonn, 7-8 June) were financed under this project. Over 50 participants from developing countries were provided with funds to attend these events.	204 209
Secretariat support to Parties for the design, development and operation of the mechanisms referred to in Articles 6, 12 and 17 of the Kyoto Protocol: technical preparation of intergovernmental meetings and informal consultations among representatives of Parties. A workshop was organized in Kuala Lumpur, 20-23 March. Other workshops are scheduled for the rest of the year. Project partly funded from the core budget (table 3 (d)).	279 400
Maintenance and development of information capacity in the Climate Change Secretariat: under this project two posts are established to manage activities related to media relations, taking over from the United Nations Information Centre and the United Nations Environmental Programme Information Unit for Conventions which are no longer able to provide the same level of support as in the past.	173 900
Initial implementation and strengthening of the Outreach subprogramme: the project provides funds for a P-2 NGO liaison officer to undertake a number of liaison, planning and coordination tasks related to participation of non-governmental organizations in the in the UNFCCC process.	77 800
Knowledge networking: building an integrated database for information exchange: under this project the secretariat has integrated resources across programmes to improve the contacts and registration databases, implement the roster of experts over the web, develop the prototype for the GHG inventory software and revise the web-accessible survey of non-Annex I Party national communications.	265 487
Funding for informal high-level consultations by the President of COP 5 to advance preparations of COP 6: funds have been provided for travel and DSA of participants from eligible Parties, Bureau members, and a limited number of secretariat staff, as well as hospitality and meeting services required, for three consultations - New York, April 2000, Warsaw, June 2000 and the Netherlands, October 2000.	384 000

Table 5 (b) *(continued)*

Project	2000 commitments
Consultative Group of Experts (CGE): the aim of this project is to facilitate the organization of three regional workshops, in Africa, Asia and the Pacific and Latin America and the Caribbean. So far, 19 participants have been provided with funds to attend the first regional workshop in Mexico City (May 2000).	225 804
Support for the organization of the SBSTA workshop on land-use, land-use change and forestry (LULUCF) in Poznan, Poland, 10-15 July 2000: funds were provided for the participation of 33 representatives of non-Annex I Parties and of four experts, as well as for the coverage of the meeting by the Earth Negotiations Bulletin.	150 543
Informal consultations related to development of a compliance system under the Kyoto Protocol: 12 participants from developing countries were provided with funds to attend this event in Iceland during the month of July 2000.	61 947
Implementation of decisions 10/CP.5 and 11/CP.5 on capacity-building: coordination of the secretariat's activities on capacity-building through the activities of the capacity building team. Project partly funded from the core budget (table 3(d)).	106 942
Total direct costs	**1 985 936**
Programme support costs	258 172
Grand total	**2 244 108**

D. Trust Fund for the Special Annual Contribution from the Government of Germany (Bonn Fund)

40. Table 6 provides detailed information on income and expenditures under the Bonn Fund as of 30 June 2000. As part of its offer to host the secretariat in Bonn, the Government of Germany pledged a special annual contribution of DM 3.5 million to the UNFCCC to cover expenditures based on the bilateral arrangements between the Government of Germany and the Convention secretariat.

41. The substantial carry-over balance includes (a) the unspent balance of funds from prior years refundable to the host Government; (b) a working capital reserve of 15 per cent.

42. In the first half of 2000, almost the entire first instalment (DM 1,750,000) of the annual contribution paid by the host Government was used to cover mainly the cost of facilities and staff for servicing the twelfth sessions of the subsidiary bodies in Bonn (12-16 June).

Table 6. Status of the Bonn Fund as at 30 June 2000
(United States dollars)

Item		Amount
Income		
Carry-over from 1998-1999		638 590
Contributions*		826 189
Interest and miscellaneous income		1 681
Refundable to host Government		(338 590)
*Working capital reserve***		(300 000)
Total income		**827 870**
Expenditures		
I.	**Conference support**	
	Conference facilities for SB 12	544 705
	Staff	161 199
Subtotal I: Conference support		**705 904**
II.	**Information support**	
	Staff	39 948
	Publications and library material	9 000
Subtotal II: Information support		**48 948**
Total (I and II)		**754 852**
Programme support costs		98 131
Total expenditures		**852 983**
Balance***		**(25 113)**

* Equivalent to DM 1 750 000.
** The working capital reserve (15 per cent of the annual contribution of DM 3.5 million) is set at US$ 300,000 as an average figure taking into consideration exchange rate fluctuations.
*** The over-expenditures have been temporarily covered from the working capital reserve.

III. PERSONNEL

A. Staff

43. This section contains reports on developments in classifying, advertising and filling the approved posts under all sources of funding. The COP at its fifth session approved the establishment of 13 professional and 7 general service posts, bringing the total number of approved posts to 54 P and 29 GS in 2000. A comparison of the number of approved posts with the number filled by 30 June is given in table 7 below.

44. "Filled" posts in the table refer to posts occupied by staff who have been awarded a fixed-term contract of one year or more, and are appointed against established posts after going through the complete recruitment process including review by the UNFCCC Appointment and

Promotion Board. In addition to these, 15 professionals and 31 persons in the general service category have been hired under temporary assistance contracts as at 30 June, bringing the total number of staff in the secretariat to 124.

45. In view of the organizational changes that were introduced into the UNFCCC secretariat effective 1 January 2000, including the establishment of the PCEI programme headed by a D-2 coordinator and the creation of new posts in other programmes, it was necessary to conduct an exercise to classify all newly established posts and to revise a number of existing posts. The classification exercise began in the first half of 2000 and concentrated on the preparation of post descriptions for 55 posts newly established and the revision of existing posts that were affected by the introduction of the new organizational structure.

46. Of the 55 newly established posts, job descriptions for 47 posts were prepared and sent to the Office of Human Resources Management at United Nations Headquarters. The remaining 8 posts are in the process of being finalized for classification. A total of 33 existing posts affected by the organizational change have been revised.

47. Some of the funds available for currently vacant posts are being used to finance the hiring of consultants or staff under "general temporary assistance".

Table 7. Comparison of established posts and occupied posts by source of funding as at 30 June 2000

Level	Core		Supplementary		Bonn Fund		Overhead		Total	
	Approv.	Filled	Approv.	Filled	Approv.	Filled	Approv.	Filled	Approv.	Filled
ASG	1	1							1	1
D-2	3	3							3	3
D-1	4	3							4	3
P-5	10	7					1	1	11	8
P-4	11	7	1	0			2	2	14	9
P-3	17	12	1	0	2	1			20	13
P-2	8	7	2	2	2	0	1	0	13	9
Subtotal	54	40	4	2	4	1	4	3	66	46
GS	29	24	1	1	5	3	23	4	58	32
TOTAL	**83**	**64**	**5**	**3**	**9**	**4**	**27**	**7**	**124**	**78**

48. Information on the geographical distribution of the appointed staff at the professional level and above is provided in table 8 (a) and (b). While priority is given to professional competence and experience, every attempt is made to ensure geographical diversity of staff in the professional category and above.

49. The gender representation among professional staff is relatively well balanced, except in the D-1 grade: of 46 staff, 25 are men and 21 are women. Among general service staff, the representation of female staff is prevalent: 28 out of 32 GS staff are women. Table 8 (c) provides the detail of gender distribution by grade.

Table 8 (a). Geographical distribution of appointed staff members at the professional level and above, as at 30 June 2000

Grade	Africa	Asia and the Pacific	Latin America and the Caribbean	Eastern Europe	Western Europe and others	Total
ASG					1	1
D-2	1				2	3
D-1		1		1	1	3
P-5	2	1	1	1	3	8
P-4	2		2	1	3	8
P-3	2	3	1		8	14
P-2		2	2		5	9
Total	7	7	6	3	23	46
Percentage of total	15	15	13	7	50	100

Table 8 (b). Geographical distribution of appointed staff members at the professional level and above, as at 30 June 2000: Annex I and non-Annex I Parties distribution

Grade	Annex I	Non-Annex I
ASG		1
D-2	2	1
D-1	2	1
P-5	4	4
P-4	4	4
P-3	8	6
P-2	5	4
Total	25	21
Percentage of total	54	46

Table 8 (c). Gender distribution by grade of appointed staff members at the professional level and above, as at 30 June 2000

Grade	Male	Female
ASG	1	
D-2	2	1
D-1	3	
P-5	4	4
P-4	4	4
P-3	8	6
P-2	3	6
Total	25	21
Percentage of total	54	46

B. Consultants and individual contractors

50. Between 1 January 2000 and 30 June 2000, 27 individual consultants (and 10 contractors) were hired, and provided a combined total of 76 months of work. One half of this total represented assistance in editing, conference management, information technology and administration, partly supplementing staff resources and partly filling gaps left by vacancies. The nature of these tasks and, in some cases, the linguistic requirements, direct the search for such services to the region in which the secretariat is located, thus skewing the geographical distribution of consultants towards those resident in Annex I Parties. The other half of the work months represented the provision of other types of expertise not available within the secretariat. While such expertise is more easily found in Annex I Parties, an effort is being made to diversify sources so as to increase the input of experts from developing countries. An additional, and sometimes alternative, source of expertise is the roster of experts (see FCCC/SBSTA/1999/9).

51. Table 9 provides information on how such services were distributed among the various programmes.

Table 9. Consultants and individual contractors, by programme
1 January 2000 – 30 June 2000
(United States dollars)

Programme	Person-months	Cost
Executive Direction and Management	-	-
Planning, Coordination and Emerging Issues	-	-
Science and Technology	19	92 140
Implementation	5	20 800
Information, Outreach and Administrative Services	44.5	163 541
Intergovernmental and Conference Affairs	7.5	34 700
Total	**76**	**311 181**

IV. ADMINISTRATIVE ARRANGEMENTS

52. The progress made in implementing the transfer of the administrative responsibilities from the United Nations Office at Geneva (UNOG) to UNFCCC Bonn was reported to the SBI at its tenth and eleventh sessions (FCCC/SBI/1999/3, paras. 46-50 and FCCC/SBI/1999/10, paras. 42-44).

53. The secretariat has made further efforts to strengthen its independent administrative capacities through the transfer of more responsibility from UNOG and the recruitment of additional support staff. Negotiations with UNOG continue and plans are being made to assume full responsibility for secretariat administrative services within the biennium.

54. Negotiations continue also with United Nations Headquarters on the receipt, management and allotment of overhead funds, which provide the financial resources for all secretariat

administrative support services. Significant progress has recently been made in this regard and the required funding for 2000 has been secured. By the end of this year, the administrative staff resources of UNFCCC should reach the desired level.

55. During late 1999 and early 2000, the secretariat made major advances in implementation of the Integrated Management Information System (IMIS). In December 1999, administrative staff completed training in the use of the personnel module of IMIS. Actual use of the system began in January 2000, following the successful installation and testing of the communication link with UNOG, the provider of IMIS. Experience to date has been mostly positive and the implementation has allowed the secretariat to assume most of the responsibility for its personnel recruitment and personnel administrative tasks. It is expected that the balance of personnel responsibilities will be transferred to UNFCCC in the latter part of 2000.

56. Throughout the second half of 1999 and early in 2000, the secretariat conducted in-depth negotiations with UNOG to begin use of the financial, procurement and travel modules of IMIS beginning in April 2000. Shortly before the beginning of the planned training and implementation period, negotiations ended with the announcement by the United Nations Secretariat that they were unable to provide the necessary support to UNFCCC to complete the exercise. Following the planned recruitment of a senior finance officer, and after further consideration in the coming months, the secretariat will decide whether these modules of IMIS will be added at a later date. This decision will be influenced by the ability or not, of the United Nations Secretariat to provide training and implementation support if UNFCCC decides to proceed in this direction.

57. Additional staff resources and system support are still needed in the procurement and travel areas of administrative support services; progress in these areas and those outlined above will be reported on by the Executive Secretary at the next session of the SBI.

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